FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-93-214
Monday
8 November 1993

Daily Report
Latin America

FBIS-LAT-93-214 CONTENTS *8 November 1993*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

CARIBBEAN

Cuba

- Robaina Assesses Trip to Mexico as 'Highly Positive' *[Havana Radio]* ... 1
  - Robaina Ends Visit *[Havana TV]* ... 1
  - Relations 'Remain Unchanged' *[Havana Radio]* ... 1
- Robaina Welcomes UN Embargo Vote, Reviews 'Current Crisis' *[Paris LIBERATION 6-7 Nov]* ... 1
  - Commentary on UN Resolution *[Havana Radio]* ... 2
  - China 'Welcomed' Resolution *[Havana Radio]* ... 2
- Robaina Hopes Vote Will Make U.S. 'Reflect' *[Havana TV]* ... 2
- Havana Cites SRV's Cam on UN Blockade Resolution *[Havana Radio]* ... 3
- Robaina Says Economic Changes Unrelated to Embargo *[Madrid EFE]* ... 3
- Robaina Meets Cuban Artists, Views Emigration Issue *[Havana Radio]* ... 4
- Robaina: 'Chemically Pure Socialism' Not Possible *[Havana Radio]* ... 4
- Castro Attends Fair of Havana Award Ceremony *[Havana TV]* ... 4
  - Castro Addresses Fair *[Havana Radio]* ... 4
  - Endorses Foreign Investment *[Havana Radio]* ... 5
  - Learning To Become 'Bourgeois' *[NOTIMEX]* ... 5
- Fidel Castro Chairs Assessment Meeting in Havana City *[Havana Radio]* ... 6
- Castro, Havana Delegates on Food Plan *[Havana TV]* ... 6
- Castro at PCC Assembly Comments on Tourism Prospects *[Havana TV]* ... 8
- Electricity Enterprise Announces More Blackouts in Havana *[Madrid EFE]* ... 8
- Tobacco Production Down by 50 Percent *[NOTIMEX]* ... 9
- High-Tech Diagnostic Laboratory Built in China *[Havana TV]* ... 9
- Crombet Attends Santiago de Cuba Energy Meeting *[Havana TV]* ... 9
- Roundup of Economic Activity Reported 4 Nov to 5 Nov *[Havana Radio, TV]* ... 9
- Recent Russian Poll Shows Support for Ties With Cuba *[Havana Radio]* ... 10
- Ambassadors of Portugal, Japan Present Credentials *[Havana TV]* ... 11
- Chinese Delegation Prepares for Visit by CPC Head *[Havana TV]* ... 11
- Havana Cites Russian Spokesman on Ties With Colombia *[Havana Radio]* ... 11
- Rodriguez Received by Indian External Affairs Minister *[Havana Radio]* ... 11

Antigua and Barbuda

- Opposition Chides Government for CET Non-Implementation *[CANA]* ... 11

Bermuda

- Secret Ballot Brings 'Upset' Election of House Speaker *[CANA]* ... 12

Grenada

- Deficit of EC7 Million Projected for 1994 Budget *[CANA]* ... 12

Haiti

- Army Absence Causes Caputo To Cancel 5 Nov Talks Session *[Port-au-Prince Radio]* ... 13
  - Cedras Gives Reasons *[Port-au-Prince Radio]* ... 13
  - Senate, Chamber Presidents Comment *[Port-au-Prince Radio]* ... 13
  - Parliamentarians Interviewed *[Port-au-Prince Radio]* ... 13

Elected 18 Jan Legislators Resume Seats *[Port-au-Prince Radio]* 14
FRAPH Asks UN To Remove Caputo From Post *[Port-au-Prince Radio]* 14
Dominican Diplomat Proposes Plan to Army To Resolve Crisis *[Port-au-Prince Radio]* 15

Jamaica

Foreign Minister Meets With Chinese Officials on Trade *[CANA]* 15

NAFTA

Two Environmental Commissions To Be Created Under NAFTA *[Mexico City TV]* 16
President on Possible U.S. Rejection of NAFTA, Cuba Vote *[NOTIMEX]* 16

MEXICO

Social Development Secretary Meets Cuban Foreign Minister *[Mexico City TV]* 17
Governors React to Salinas' Proposed Civility Pact *[Mexico City TV]* 17
  Political Parties React *[Mexico City TV]* 17
  PRI Official Supports Pact, Criticizes PRD *[Mexico City TV]* 17

CENTRAL AMERICA

Costa Rica

Foreign Minister on UN Vote, Rapprochement With Cuba *[AFP]* 19
President Callejas Voices Support, Desire To Join NAFTA *[San Jose Radio]* 19

El Salvador

Commentary Sees U.S. Assistance as Interference *[EL DIARO DE HOY 4 Nov]* 19
Cristiani 'Unexpectedly' Breaks Off Asian Tour, Returns *[ACAN]* 20
Political Parties Sign Pact To Respect Election Process *[San Salvador Radio]* 20
Government Warns It Cannot Guarantee Politicians' Safety *[San Salvador Radio]* 21
Acting President Merino Announces Arrival of FBI Team *[EL DIARIO DE HOY 4 Nov]* 21
Merino Denies Government Covering Up for Death Squads *[San Salvador TV]* 22
1 ARENA Member Dead, 1 Wounded in Attack *[EL DIARIO DE HOY 4 Nov]* 22
Judge Confirms Accused Killer of FMLN Leader Found Dead *[San Salvador Radio]* 23

Guatemala

Attorney General Defends U.S. Warning in Drug Case *[Guatemala City TV]* 23
Deputies Dissolve Self-Purge Parliamentary Group *[SIGLO VEINTIUNO 3 Nov]* 23
De Leon Says Church Proposal Should Include Resignations *[SIGLO VEINTIUNO 5 Nov]* 24
Official Says De Leon Still Supports Plebiscite, Dialogue *[EL GRAFICO 4 Nov]* 24
Congress President Comments on Negotiations on Reforms *[Guatemala TV]* 25
Herbruger Terms Deputies' Ultimatum 'Political Error' *[PRENSA LIBRE 5 Nov]* 25

Nicaragua

Daniel Ortega on Constitutional Reforms, Sandinist Assembly *[BARRICADA 2 Nov]* 26
Daniel Ortega Opposes Constitutional Reform at Assembly *[LA PRENSA 4 Nov]* 26
Daniel Ortega Rallies Citizens Against Privatization *[Managua TV]* 27
Army Says Humberto Ortega's Retirement Conditional Upon Amnesty *[ACAN]* 27
Retired EPS Officers Attempt To 'Kidnap' Managua Mayor *[Managua Radio]* 28
FSLN Communique Defends Privatization Bill *[EL NUEVO DIARIO 4 Nov]* 28
FSLN Assembly Communique on Constitution, Privatization *[Managua TV]* 29
National Workers Front Opposes FSLN Privatization Bill *[BARRICADA 5 Nov]* 30
Sandinist Group Supports Christian Democratic Proposal *[LA PRENSA 2 Nov]* 30

Panama

- Foreign Minister Explains Position on UN Vote on Cuba *[LA ESTRELLA DE PANAMA 5 Nov]* 31
- Comptroller Supports U.S. Bases in Exchange for Benefits *[Panama City TV]* 32
- Columnist Considers Renegotiation of U.S. Bases *[EL SIGLO 6 Nov]* 32
- Comptroller Resigns, Evades Questions Regarding Motives *[Panama City TV]* 33
- Acting Comptroller General Issues Communique on Policies *[CRITICA LIBRE 6 Nov]* 33
- 'Top Secret' Report Reveals Organized Crime, Drug Network *[LA ESTRELLA DE PANAMA 7 Nov]* 34
  - 'Cover-Up' Seen *[LA PRENSA 7 Nov]* 34
- PDC Lawmaker Links Dismissal of Prosecutors to Drug Probes *[EL PANAMA AMERICA 5 Nov]* 35
- Narcotics Secretary General Resigns To Run for Office *[Panama City TV]* 35

SOUTH AMERICA

Argentina

- Defense Minister 'Confident' U.S. Will Lift Arms Embargo *[NOTICIAS ARGENTINAS]* 36
- Chile's Pinochet Arrives 'Unexpectedly' on 2-Day Visit *[NOTICIAS ARGENTINAS]* 36
- Menem Interviewed on Privatization, Regional Ties *[Montevideo EL PAIS 28 Oct]* 36
- Menem, Alfonsin Might Agree on Constitutional Reform *[NOTICIAS ARGENTINAS]* 38
- Economy Minister in Hong Kong Discusses Economic Policy, NAFTA *[Madrid EFE]* 38
  - 'Does Not Rule Out' Running for President *[AFP-NA]* 39
- Trade Balance Deficit Surpasses $1.5 Billion *[NOTICIAS ARGENTINAS]* 40
- Differences in Argentine Opinion Over Falklands Oil Noted *[NOTICIAS ARGENTINAS]* 40
- Correction to Argentine, UK Positions on Falklands 'Uncompromising' 41

Bolivia

- Foreign Minister Aranibar Urges 'Deep Changes' in UN *[LOS TIEMPOS 27 Oct]* 41
- Aranibar: U.S. Experts' Presence, Embassy Actions Legal *[PRESENCIA 28 Oct]* 42
- Armed Forces Law Permits U.S. Military Advisers' Presence *[LOS TIEMPOS 29 Oct]* 43
- Agreement To Fight Corruption Signed With U.S. Embassy *[LOS TIEMPOS 26 Oct]* 43
- Minister Sanchez Views Impeachment of Court Justices *[LOS TIEMPOS 26 Oct]* 44
- UCS Leader's 'Confusing' Support for Government Examined *[LOS TIEMPOS 26 Oct]* 45

Brazil

- Cardoso Briefs Senate on Privatization *[Brasilia Radio]* 46
  - Text of Speech *[O ESTADO DE SAO PAULO 5 Nov]* 46
- Treasury Hopes To Save $500 Million by Blocking Budget *[FOLHA DE SAO PAULO 2 Nov]* 53
- Petrobras Officials Seek To Avoid Investment Cuts *[O GLOBO 2 Nov]* 53
- Paraiba Governor Shoots Predecessor *[Brasilia Radio]* 54
- Army Initiates Strategy To Fight Rio Drug, Arms Trafficking *[O GLOBO 4 Nov]* 54
- Government To Send Troops To Join UN Forces in Mozambique *[Madrid EFE]* 54

Chile

- Aylwin Views Issues Discussed With Germany's Weizsaecker *[Santiago Radio]* 55
  - Weizsaecker Thanks Aylwin *[Berlin DIE WELT 5 Nov]* 55
  - Spokesman Denies President's Statement *[Munich SUEDDEUTSCHE ZEITUNG 6 Nov]* 55

Colombia

- Senate Vice President Shot, Seriously Wounded *[AFP]* 56
  - Senator in Critical Condition *[Santa Fe de Bogota TV]* 56
  - ELN Claims Responsibility *[NOTIMEX]* 56
  - Security Heightened After Attack *[Santa Fe de Bogota TV]* 57
  - Londono Dies *[AFP]* 57

  - Gaviria To Attend Senator's Funeral *[Santa Fe de Bogota TV]* 57
  - Socialist Renewal Movement Regrets Killing *[Santa Fe de Bogota TV]* 57
- Government Offers Reward To Locate Senator's Attackers *[Santa Fe de Bogota TV]* 57
- Prosecutor General on Military-Cartel Ties, Senator's Death *[Santa Fe de Bogota TV]* 58
- President Launches Anticrime Program, Views Londono Attack *[Santa Fe de Bogota TV]* 58
- Presidential Hopeful, Ministers React to Attack on Senator *[Santa Fe de Bogota TV]* 58
- FARC Ambush Kills Seven Soldiers in La Uribe *[Santa Fe de Bogota TV]* 59
- New Escobar Search Bloc Commander To Be Appointed *[Santa Fe de Bogota TV]* 59
- Officials Searching for Released Venezuelan Drug Trafficker *[Santa Fe de Bogota TV]* 59
- Foreign Minister Urged To Respond to Human Rights Charges *[EL NUEVO SIGLO 31 Oct]* 60
- Foreign Minister, Dominican Republic at Odds Over Inmate *[Santa Fe de Bogota TV]* 60
- Bilateral Trade Agreement Signed With Chile *[Santa Fe de Bogota TV]* 61
- Armed Forces Modernization Plan Outlined *[EL TIEMPO 31 Oct]* 61
- * Campaign Financing Controls Seen as Necessary *[EL TIEMPO 3 Oct]* 63

Paraguay

- Government Rejects U.S. Labor Union's Call for Sanctions *[ABC COLOR 5 Nov]* 63
- Foreign Minister Explains UN Vote Against Cuba *[ABC COLOR 5 Nov]* 64
  - Contradicts Wasmosy on Bid Pressure *[NOTICIAS 5 Nov]* 64
- Chamber of Deputies Approves Disaffiliation of Military *[ABC COLOR 5 Nov]* 64
- Asuncion For All Movement Joins National Encounter *[ABC COLOR 25 Oct]* 64

Peru

- State of Emergency Extended 60 Days in Apurimac Department *[AFP]* 64
- Government Agrees on Refinancing Debts Owed to U.S. *[AFP]* 65
- CCD Committee President on Possible Second Referendum *[Lima TV]* 65

Uruguay

- Brazilian Workers Party Leader Criticizes Eulogy of Growth *[NOTICIAS ARGENTINAS]* 65
- Poll Views Voters' Opinions of Government's Performance *[EL PAIS 28 Oct]* 66

Venezuela

- Defense Minister To Turn Over Names of Alleged Conspirators *[AFP]* 66
- Caracas Reports Bomb Explosion in Parking Lot *[Caracas TV]* 66
- Diplomatic Relations Restored With Peru *[Caracas TV]* 67
- Caracas Studies Establishment of Ties With South Africa *[Caracas TV]* 67
- President Velasquez Seeks Funds To Guarantee Social Peace *[EL DIARIO DE CARACAS 5 Nov]* 67
- Velasquez Speaks on New Banking Law *[Caracas TV]* 67
- Government Issues Communique on Power Failure *[Caracas TV]* 69
- Fedecamaras Representatives Discuss G-3 Negotiations *[Caracas TV]* 69
- Military Says Drug Trafficker's Pardon Involves Conspiracy *[EL DIARIO DE CARACAS 3 Nov]* 70
- Oil Shipment Received as Part of British Aid Package *[CANA]* 70

Suriname

- Home of Parliament President Attacked *[AFP]* 71

Cuba

Robaina Assesses Trip to Mexico as 'Highly Positive'

PA0511135593 Havana Radio Havana Cuba in Spanish 1300 GMT 5 Nov 93

[From the "Morning Information Review" newscast]

[Text] Cuban Foreign Minister Roberto Robaina has described his official visit to Mexico as highly positive and the communication that exists between the two countries as exemplary. During a news conference at the Association of Foreign Correspondents in the Mexican capital, Robaina said Cuba requires experience to develop several of its sectors, and he added that Mexico is highly capable of investing in Cuban tourism, research, and other areas.

The Cuban foreign minister reiterated that during the second quarter of 1994 a meeting will be held in Havana between groups representing the Cuban community in the United States and Cuban authorities. He said the meeting will be with those sectors who maintain feelings of respect toward Cuba, and he criticized the politicization and manipulation of problems faced by the Cuban community abroad.

Regarding the UN resolution condemning the U.S. blockade against Cuba, Robaina said the 88 votes against the measure constitute food for thought, especially for the United States, which has enforced and executed the policy since 1962.

Robaina travels this afternoon to the Mexican state of Quintana Roo, where he will meet with businessmen from the resorts of Cancun, Cozumel, and Chetumal.

Robaina Ends Visit

FL0811032193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 7 Nov 93

[Text] Cuban Foreign Minister Roberto Robaina returned to our country yesterday after a three-day official visit to Mexico, where he had a busy agenda.

In one of his last activities in Mexico City, Robaina met with Maria de los Angeles Moreno, president of the Chamber of Deputies; and with members of the seven political parties represented in the Mexican Congress.

Robaina reiterated the Cuban people's decision to defend their political project and to not relinquish their gains.

Later, Robaina went to the State of Quintana Roo, where he was received by Governor Mario Villanueva. There, he visited Chetumal, where he conferred with Villanueva about possible cooperation in the areas of tourism, health, and agriculture. Robaina also visited Cozumel, where he met with a group of tour operators.

The visit, which concluded yesterday, has been described as very positive for Cuban-Mexican relations.

Relations 'Remain Unchanged'

FL0611145493 Havana Radio Rebelde Network in Spanish 1000 GMT 6 Nov 93

[Text] Shortly before departing Mexico City for southeastern Mexico, Cuban Foreign Minister Roberto Robaina stated that Cuba will not negotiate three essential elements: sovereignty, independence, and the ability to speak out on its own.

Following a 72-hour visit to Mexico City, Robaina started the last leg of his visit to Mexico with a tour of the state of Quintana Roo.

In Mexico City, Robaina met with President Carlos Salinas de Gortari and with the secretaries of foreign relations, government, finance, communications, and public health. He also met with leading businessmen of the National Processing Industry Association.

In Quintana Roo, Robaina will hold talks with business operators of the major tourist centers of Cancun, Cozumel, and Chetumal and will be received by Governor Mario Villanueva.

In remarks to Mexican and other foreign reporters, Robaina stated that Cuban-Mexican relations remain unchanged and expressed his conviction that any problem that might arise would be resolved in keeping with the strong ties of respect, admiration, and affection existing between the two countries.

Robaina Welcomes UN Embargo Vote, Reviews 'Current Crisis'

BR0811122293 Paris LIBERATION in French 6-7 Nov 93 p 15

[Interview with Cuban Foreign Minister Roberto Robaina by Jean-Francois Boyer; date and place not given: "Without the Embargo, Cubans Will Still Face Things In The Same Way"—first two paragraphs are LIBERATION introduction]

[Text] For Roberto Robaina, chief of Cuban diplomacy, lifting the embargo is important for the future of Havana, but it will not mean the end of the revolution.

The Cuban foreign minister is on an official visit to Mexico until 6 November. The former leader of the Communist Youth Organization has just learned of the result of the UN General Assembly vote on Wednesday [3 November] on the lifting of the U.S. embargo against the island.

[Robaina] It is quite an uncommon victory. It is very significant for the future that another 30 countries voted in favor of lifting the U.S. embargo against Cuba, only one year after the first UN vote condemning the United States.

[Boyer] Did not the embargo play into your hands by uniting the Cubans behind Fidel Castro?

[Robaina] We were prepared to resist the embargo. We have shown that it can be resisted. Rumors today say that its lifting could lead to the end of the revolution. That is untrue. Even without the embargo we will face things in the same way. But we must be ready to counter the risks brought by this new era of commercial openness with the arrival of foreign investors, the improvement of telecommunications with the United States, etc.

[Boyer] You are going to meet with representatives of exiled nationals. Do you rely on the dollars that those who have emigrated can transfer to their families?

[Robaina] No. These persons cannot bring us the amounts of money that we need. It is estimated that they can transfer $80 million per year (464 millions French francs). It is not enough. Tourism alone should generate $500 million per year. Our relations with the exiles are mostly political. We want to maintain contacts with them because they were manipulated. Most of them left the island for economic reasons which were subsequently turned into political ones. This is why we maintain smooth relations with those who, while in exile, respect us even if they do not support us. Many of them request that the embargo be lifted. Of course, we do not talk with those who put a price on our heads.

[Boyer] Your government has opened key sectors of the economy to foreign investors, it has given a boost to private handicrafts, it has made the possession of dollars a civil rather than a criminal offense. Are you heading toward a mixed economy?

[Robaina] A mixed economy can work in sectors like tourism or oil production where we have the raw materials but not the means to exploit them. But it is important that we should keep sectors like sugar production under control. The state will keep on playing an important role. We want to control reforms and know how far we can go. The question of the compatibility of the reforms with the revolutionary ideal is easy: In the current crisis, if we are not able to cope with the economic changes and control them, then these changes will take place automatically anyway. For example: Making the possession of dollars a civil rather than a criminal offense. The situation justified this. It is up to us to invent measures to compensate those who do not have access to the dollar market. Either we are creative, or we will fail to control the changes.

Commentary on UN Resolution

PA0511230693 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Nov 93

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] [Passage indistinct] the Third Ibero-American Summit, the International Human Rights Conference, and specific Caribbean governments who invited Cuba to become part of the Association of Caribbean States.

Freedom to trade is included as part of international law and the blockade against Cuba aims at trampling this right with the result that the UN General Assembly has once again demanded the lifting of the blockade.

The fact that 16 more nations than in 1992 participated in Wednesday's vote did not go unnoticed. If during the 47th UN General Assembly, 59 countries supported the Cuban motion, 29 more nations now decided to support the initiative. With out any doubt, there is a willingness by the international community, and most especially Latin America and the Caribbean, to repudiate the blockade even though the United States may be indifferent to the claim.

It is true that the current administration uses less aggressive language, but the essence of the policy itself is similar to that used by the Republicans when it comes to reinforcing economic pressure on Cuba. It would seem that the pernicious effect of extreme Cuban right-wing groups in exile still persists. These groups have the sufficient financial clout to buy congressional votes and block the appointment of anyone in the Executive Branch supposedly inclined to adopt a more realistic position toward Cuba.

With this international censure, as well as with the growing demands by business sectors, religious groups, and U.S. citizens calling for an end to the blockade, the current White House occupants can only discredit themselves if they persist in their policy of upholding the anachronistic blockade.

China 'Welcomed' Resolution

FL0511162193 Havana Radio Rebelde Network in Spanish 0000 GMT 5 Nov 93

[Text] Beijing—China today rejected the U.S. blockade against Cuba and welcomed the approval by the UN General Assembly of a Cuban-sponsored resolution aimed at lifting the economic blockade that has been in force for more than 30 years.

Robaina Hopes Vote Will Make U.S. 'Reflect'

FL0511191393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 5 Nov 93

[Text] Cuban Foreign Minister Roberto Robaina today [4 November] gave an interview to a U.S. Spanish TV network regarding the Cuban diplomatic victory at the UN General Assembly, which issued a resolution condemning the Washington-imposed blockade.

[Begin recording] [Robaina] I would like to state again that it has been a vote that strengthens and promotes the just cause we are defending. I believe it shows the support of the international community and its rejection of a tremendously cruel, unjust policy.

The resolution is consistent with the widespread international solidarity we, on the island, have perceived in connection with this significant issue. I believe the resolution should, above all, make people reflect. I repeat that it is not legally binding, but that it should make the United States ponder about its significance, about the fact that 88 countries voted in favor of the resolution we have proposed. I believe the United States should reflect about this.

[Unidentified reporter] Do you believe that the resolution could provoke a change in the U.S. policy toward the island?

[Robaina] We should not get overly excited about future prospects because of one very simple reason: Although without the margin we obtained this year, last year we had obtained the approval of a similar resolution, but its only result has been a much more intensified blockade.

My country is not harboring a higher degree of enthusiasm than that we should really have at this time. It has been very important for us to obtain this moral victory, but far more important than this moral victory would be if the resolution is instrumental in solving a measure that has been tremendously difficult for us. Although it is not the only cause of our problems, it is seriously jeopardizing our development. [end recording]

Havana Cites SRV's Cam on UN Blockade Resolution

FL0611163193 Havana Radio Progreso Network in Spanish 1100 GMT 6 Nov 93

[Text] Vietnamese Foreign Minister Nguyen Manh Cam has stated in Hanoi that the UN General Assembly resolution against the U.S. blockade on Cuba entails a victory of reason and of the trend toward peace now prevailing in the world.

Robaina Says Economic Changes Unrelated to Embargo

PA0511205093 Madrid EFE in Spanish 1826 GMT 5 Nov 93

[Text] Mexico City, 5 Nov (EFE)—Cuban Foreign Minister Roberto Robaina, who is in Mexico for an official four-day visit, said last night that the economic changes in Cuba are not a response to the U.S. commercial embargo.

"Cuba understands that the world has changed. Cuba is willing to adapt itself to those changes, but not on U.S. instructions. The United States is a large country, but it is not the world," Robaina said in a news conference at the Association of Foreign Correspondents. "The United States says the economic measures taken in Cuba are overdue, but we believe that the United States is overdue, because if Cuba is blocked, the United States is blocking itself as well."

Robaina said the political transformations expected in Cuba are the criteria the United States wants to impose and has imposed on other countries. "The changes will gradually take place in Cuba to the extent that Cuba attains more freedom and is less threatened. Cuba is asked to undertake a political change only, but we will not accept ultimatums," the minister said.

He said that recently U.S. businessmen expressed interest in investing in Cuba. He said that the North American Free Trade Agreement among Mexico, the United States, and Canada will not harm the commercial relations between Cuba and Mexico. "There are no indications that the agreement would be negative, although the United States initiated the blockade. If the commercial agreement is useful and fruitful for Mexico, it will also be for Cuba," he said.

There are businessmen in Mexico interested in the economic opening in Cuba, which now more than ever needs trade and advice for an opening in the fields of pharmaceuticals, tourism, and biotechnology.

Robaina said that Cuba maintains considerable educational, cultural, and athletic exchanges with Mexico but said it is necessary to explore other possibilities—which he did not specify—because "Mexican businessmen are not exempt from U.S. pressure."

During his visit to Mexico, Robaina met with President Carlos Salinas de Gortari, four cabinet secretaries, Mexico City Mayor Manuel Camacho Solis, and Cuban intellectuals and artists who reside in Mexico.

The Cuban foreign minister denied that the departure of boat people to the United States through Mexico will affect bilateral relations. "Those were events that took place under exceptional circumstances, and they were resolved with exceptional solutions," he said.

Regarding friction between the Cuban Government and the Catholic Church, Robaina said the church hierarchy's position does not reflect the sentiments of the Cuban Catholic masses and described the church's proposals as "untimely."

"There are other channels of communication that are more fluid than sending a letter. If the church does not understand the Cuban state's plan, the state needs not understand the church," he said.

Robaina also commented on the resumption of diplomatic relations between Cuba and Colombia and emphasized that both countries maintained communication and exchanges from the First Ibero-American Summit of heads of state and government in 1991 in Guadalajara (Mexico).

Robaina pointed out that Cuba no longer supports guerrillas in Latin America because the conditions in the region have changed and there has been openness in numerous areas to permit dialogue.

He said that on the island there has been a great deal of controversy over the economic and political changes undertaken by the government because some of those changes contradict the principles upon which the Cuban people were educated.

"It is much more difficult for the changes to be understood on the island than abroad, especially concerning topics such as foreign capital investment, the repercussions of which are too broad," the Cuban minister asserted.

Robaina Meets Cuban Artists, Views Emigration Issue

FL0511142793 Havana Radio Rebelde Network in Spanish 1248 GMT 5 Nov 93

[Report by correspondent Nelson Notario Castro in Mexico City]

[Text] Cuban Foreign Minister Roberto Robaina last night met here with Cuban artists, intellectuals, and academicians who are residing in Mexico. During an enriching discussion, Robaina emphasized the role played by artists, intellectuals, and academicians.

Robaina admitted that there are still narrowminded ideas in our society about those professionals who need to travel abroad to expand their cultural and creative activities. He stated that we must do away with the notion that Cuban artists go abroad to wait out the special period there. He said: We must remove from our minds everything that can hurt and divide us.

In response to persistent questions about the emigration issue, Robaina said that the subject is now being studied with a view to bringing about changes in the near future. It is not a question of just creating committees and of just continuing to wait because we are all aware that what is not working well must be urgently changed. He added that there are new challenges stemming from our social developments which must be addressed with a realistic approach.

Robaina stated that his meeting with Cuban artists, intellectuals, and academicians who are working abroad is part of the work he has started with Cuban communities residing abroad.

Robaina: 'Chemically Pure Socialism' Not Possible

FL0511130493 Havana Radio Progreso Network in Spanish 1200 GMT 5 93

[Text] Cuban Foreign Minister Roberto Robaina has stated in Mexico that when his country is free of any foreign threat there is no telling the number of things that could be discussed there in terms of models and mechanisms of participation.

In an exclusive interview with the newspaper LA JORNADA, Robaina admitted that under the current international conditions it would not be possible to build a chemically pure socialism. He noted, however, that Cuba should not be viewed as a stagnant country. He added that the one-party system and their unity made it possible for the Cuban people to overcome foreign hostility, which persists despite the alleged end of the Cold War. He said: No one has proven to me that there is a perfect democratic model.

Castro Attends Fair of Havana Award Ceremony

FL0611024993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Nov 93

[Text] As we speak, and in the presence of our Commander in Chief Fidel Castro, the award ceremony of the 11th International Fair of Havana takes place at the Convention Center in Havana with the participation of representatives of Cuban and foreign firms that participated in the fair. Products and firms exhibited at the fair will receive gold medals based on the quality and design of products, the design of booths, and publicity. Forty-five countries and 1,162 firms participated in the fair, 78 percent of which are foreign enterprises. In his speech at the opening of the ceremony, Abraham Maciques, president of the organizing committee, stated that the increased participation makes evident the interest of many entrepreneurs to participate in the Cuban fair.

Castro Addresses Fair

FL0611142793 Havana Radio Rebelde Network in Spanish 1000 GMT 6 Nov 93

[Text] Commander in Chief Fidel Castro yesterday presided over the traditional ceremony at the 11th International Fair of Havana to award medals to the winners in design and advertising.

In the ceremony, held at Havana's Convention Center, certificates were issued to the most successful trade promoter, to the most oustanding participant, to the country with the most participants, and to participants attending the fair for the first time.

President Castro made the keynote speech at the ceremony. It has been reported that the fair will close tomorrow, 7 November.

It has also been reported that the head of the Cuban Revolution yesterday visited Oriente Rebelde, a cattle-raising community in the Sibanicu Municipality of Camaguey Province. During his visit, Fidel discussed such topics as self-support based on family farm production and state agricultural production with local residents and with political leaders and government officials.

Endorses Foreign Investment

PA0611140093 Havana Radio Havana Cuba in Spanish 1300 GMT 6 Nov 93

[Text] Cuban President Fidel Castro has warned of the dangers posed by the blockade by saying: Those who attempt to isolate others isolate themselves.

Addressing more than 1,000 national and foreign businessmen during the awards ceremony at the 11th Havana International Fair, the top Cuban leader said: Those who block others block themselves. In this way, he alluded to the obstacles imposed by the United States on U.S. businessmen who want to trade with and invest in Cuba.

Castro said: We are open to the world, and we trade with everyone, except those who do not want to do so. This is why, when American investors make up their minds to do business with Cuba, it will be too late. Not a single square meter of beach will be left in which to invest.

During his brief speech, Fidel Castro expressed gratitude to businessmen who currently maintain economic ties with Cuba. He said these ties are mutually beneficial and will increasingly be so in the future. We are pleased to know, Castro added, that we are learning to deal with businessmen. Castro said that foreign businessmen who have established mixed businesses with Cuban entities are very pleased with Cuban workers because of their work, as well as because of their cultural and educational levels.

The Cuban president admitted, nevertheless, that Cubans also have defects, such as not being as disciplined as they should be on their jobs, which is a consequence of the government's considerable paternalism and meager demands.

Cuban labor legislation, Castro said, is not realistic, and he added that we have had to make modifications, which we will explain to the workers. He also said: We must demand discipline and make greater demands on the workers, if we want to achieve productivity and efficiency. Further into his speech, Castro said that, although many problems still need to be resolved, progress has been made in many areas such as tourism.

The head of the Cuban Revolution reiterated his gratitude to the foreign businessmen participating in the fair, as well as those who have established businesses in Cuba, because they know it is an orderly country in which they can deal with serious and honest people.

Castro concluded by saying: I am proud of Cuban honesty. Although the Cuban men and women who deal with you may be lacking in experience, I predict a brilliant future for cooperation.

[Mexico City Notimex in Spanish at 0419 GMT on 6 Nov adds that Castro defended his government's policy of economic opening and recognized the efficiency of the capitalist methods employed by businessmen of various countries, especially Spain, who are participating in mixed enterprises in Cuba.]

Learning To Become 'Bourgeois'

PA0611143093 Mexico City NOTIMEX in Spanish 0935 GMT 6 Nov 93

[Text] Havana, 6 Nov (NOTIMEX)—Cuban President Fidel Castro has told foreign investors here that Cubans are learning to become "bourgeois," because they are creating large businesses and trading intelligently.

In an unusual speech, the president explained that Cubans "are learning much from businessmen," and he thanked investors from other countries for investing and trading with Cuba despite pressure from the United States. Castro made his statements during the awards ceremony at the 11th Havana International Fair in this capital.

In a low voice and with soft gestures, the first secretary of the Communist Party of Cuba (PCC), told the businessmen that, for Cubans, there are currently two kinds of bourgeois: Those who appear in official speeches, and then the others—those who have invested and whom we know on the island.

"We are also becoming bourgeois, not because we are enriching ourselves as individuals, but because we are learning how to trade and negotiate, because we are doing many new things with the help of your experiences," he said.

In his improvised 50-minute speech, the president defended foreign investment as one solution to the nation's internal economic crisis, and he stressed cooperation with Spanish businessmen, from whom, Castro said, we Cubans are learning a lot. According to Castro, the Spaniards are excellent staffers in hotels. They know what to do, how to get organized, and what can and what cannot be allowed inside the touristic structures, he said.

He criticized the paternalism toward laborers created by the Cuban Revolution. He also noted that excessive personnel were being used in enterprises that require only half as many employees, and he praised the honesty of the Cuban workers, although he admitted they lacked discipline. Castro also said the Cuban Government will modify the labor laws, "seeking more discipline and more demands to increase production."

Castro, who is also president of the State Council and the Council of Ministers, stressed the high degree of education of the Cuban population—the majority of which has a university education—but he clarified that the country also needs agricultural workers to produce food in the field.

He said he was surprised by the way in which Cubans have been able to establish businesses within such a short period of time, and he concluded by reaffirming, in a joking tone: "We are learning how to set up businesses, and we will soon charge for autographs."

Fidel Castro Chairs Assessment Meeting in Havana City

FL0611195693 Havana Radio Rebelde Network in Spanish 1800 GMT 6 Nov 93

[Text] Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers, this morning presided at the Convention Center over the opening of the assembly of the party in the City of Havana Province, the last to hold its assessment meeting.

The analysis of the role of the party in the capital in the struggle for achieving economic efficiency and its role in the special period have been the highlights of the session, which opened this morning with 486 delegates and many guests in attendance.

The main report was submitted to the plenum by (Glinda Soi), member of the executive bureau of City of Havana Province. The report assesses, without triumphalism, the work carried out in the capital in important areas such as tourism, sciences, and the food program and outlines the status in which Havana comes to this assembly.

[Begin (Soi) recording] The search for solutions to our problems has been the guiding principle in this process at the grassroots organizations and municipal committees of the party. Topics of vital interest for our development, such as economic efficiency, the food program, the work of our scientists, the conservation and proper use of our energy resources, the tourist program, and the fight against crime and antisocial behavior have been topics of discussion of the Communists in the City of Havana Province.

The party's grassroots organizations, the Union of Young Communists, mass organizations, pioneers, youth and social organizations, state and administrative institutions of our province, and, above all, our revolutionary people have engaged in multiple activities and tasks during the assessment process, which have translated into a favorable exchange of ideas, viewpoints, and expectations about the working session we are starting today. [end recording]

Jorge Lezcano, first secretary of the party in the province and member of the Politburo, also commented on the nature of the discussion at the meeting:

[Begin Lezcano recording] We ask you to participate in this debate in the same spirit with which you participated in municipal assemblies; that is, each delegate should sharpen his focus primarily on those actions that must be taken to find solutions to our problems, and each individual must assume his responsibility, without failing to make any criticism that may be deemed necessary. Ideas and suggestions must also be made as to how we can overcome our shortcomings, through new ideas or by taking advantage of our calier achievements. [end recording]

The performance of the party on the main economic fronts in the province has dominated this morning's discussion.

Tourism was the first topic analyzed by the assembly of the party in the City of Havana Province. Commander in Chief Fidel Castro actively participated in these discussions.

I would say that this was a sort of inside look into tourism. The various aspects of this important economic source for our country have been discussed here: exploitation, levels of income, number of workers, flow of tourists, cost of rooms, and concepts such as hotel management and training of workers have been discussed here.

In one of his remarks, Fidel said: Tourism is a serious activity in the city of Havana. It is of a decisive, utmost signficance. Thus, it must function perfectly.

[Begin Castro recording] If there is something that has a decisive, key, utmost importance to pull the country out of the special period and to develop it today, today, [repeats] that is tourism. This is an activity that is growing at the fastest pace and in which subjective factors such as treatment, attention, organization are extremely important. Let those engaging in tourism address this assembly. [end recording]

In addressing the tourism issue so strongly, the assembly has transcended provincial borders because many of the situations affecting the capital are also occurring in other territories, many of which lack the experience of Havana, one of the main tourist centers of the country. Commenting on this subject, the head of our Revolution discussed the role of management and collectives of workers in tourist facilities.

[Begin Castro recording] Tourist centers must be model centers. They must be models of behavior, of discipline, of seriousness. They must set examples in every respect for Cubans and foreigners alike. [end recording]

Discussions continue at the assessment meeting of the party in the City of Havana Province. The delegates will meet today and tomorrow at the Convention Center.

Castro, Havana Delegates on Food Plan

FL0811031593 Havana Tele Rebelde Network in Spanish 2130 GMT 7 Nov 93

[Text] The food program is a key subject in our country's survival. This subject generated all kinds of remarks at the assessment meeting of communists in City of Havana Province.

[Begin recording] [first unidentified delegate] I believe we must closely monitor the system that is being implemented now through the Basic Cooperative Production Units [UBPC's] because unfortunately, all too often we have seen things being ultimately distorted.

I have heard many things, such as I wish to do this or I wish to plant that. It is true that there is autonomy. It is true that the UBPC's will be autonomous, but above all, there is a state plan that must be complied with. We must fully comply with this plan. We must find the means of obtaining the highest possible yield of each of the crops we may be able to plant. We do, however, hear so many things, such as I want to sow this, I want to do that, I want to plant [word indistinct], I want to grow flowers, and so forth. I believe all that will be useful when the new system has been adequately stabilized.

What the people need now is tubers. I believe that if there is a plan, and if I said we are going to plant tomatoes, I would have to find a way of obtaining 2,000 quintals of tomatoes per caballeria [words indistinct]. If I said that I am going to plant sweet potatoes, for instance, I should keep in mind that I should obtain 5,000 quintals per caballeria. I have heard many things around there such as I want to grow corn, flowers, marijuana [mariquita], or other things. Yet, the fundamental thing is that there is a state plan that must be addressed: that is, food for the people. We wish to tell you, Commander, that we, jointly with ....

[Commander in Chief Fidel Castro, interrupting] You have said something very important, very important... [repeats] that you expect the change to take place in an orderly fashion, that the programs must be complied with, and that each individual should not go around planting whatever he chooses just because it is easier to plant certain items. The UBPC's must be able to finance their own activities and, if they grow unimportant items, they will not be able to finance their own activites. Nor can they fail to grow plantain, sweet potatos; and the food the people need.

It would be truly disastrous if each UBPC started to grow whatever it pleased. You mentioned what you have heard out there. It is important for you to tell us what you are hearing out there and it is also important to hear other ideas from some leaders of the contingents who are here. There is a commitment, an agreement as to what should be planted, about what production should be achieved. Otherwise, everyone could start raising rams, while we ran out of plantain and everything else.

What you said is an undisputable truth. First and foremost, we must plant food for the people.

[Second delegate] As the comrade who opened the assembly yesterday said, a problem that is currently affecting agriculture concerns the quality of our products. We also have difficulties in having harvested produce picked up. Sometimes our products need to sit there for three days after being harvested without being picked up. When we point out this problem to our comrades, they tell us that there are few vehicles and that the product has to be distributed to various locations in Havana and that, because of that, it takes a long time for each vehicle to make the trip from Artemisa to Havana. As you know, plantains ripen two days after being harvested and if you load semiripened plantains on a truck, this product will not reach the market in good condition. This is why we are having these problems.

I believe that one of the things we must give the UBPC's is the means of marketing their products, which should not be left sitting for two or three days after being harvested. This is one of the major problems agriculture is facing at this time; that is, that products are not being transported at the appropriate time.

As a result, collectors will come later and tell us that the product is not of a good quality and that they will pay us only 50 percent of the price. Yet, the collectors will not sell the product at 50 percent of the cost. They always make a profit. Collectors pay us only 50 percent for a product that is not of good quality, but they will sell at the same price as if the product were in good condition, and even at a higher price. Thus, the ultimate loser thus far has been the state.

I believe the UBPC's will solve this problem. They must fight for a system in which the product is harvested in the morning, loaded in the afternoon, and in the hands of consumers the next morning, so they may be high-quality items. This is the most important issue we must resolve now. [applause]

[Text] [Castro] What other clear advantages do you see in the UBPC's?

[Second delegate] One aspect, Commander, which in my opinion is very important, is that a farmer will be able to better appreciate the result of his work, which will be distributed among all the UBPC members.

Another important thing is the attention to each man, the incentives for each man because we have thus far not had that, either at the level of farms or at that of contingents. One fundamental thing is that when a man returns home on Saturdays, he be able to take things to his family without having to buy them clandestinely at inflated prices from the peasants, out of fear that items might be confiscated or out of fear of losing his land. The state must sell them to each worker, the state must give him what he needs for his consumption....

[Castro, interrupting] Well, not the state, but the UBPC.

[Second delegate] Well, the UBPC. I believe this is important. A man must have incentives. Thus far, agricultural workers have not been stimulated. One of the fundamental issues....

[Castro, interrupting] But there was special attention, because those camps receive special attention.

[Second delegate] In that respect, yes.

[Castro] Will the UBPC's be able to maintain that special attention to each man?

[Second delegate] Right away, no, Commander; but, I believe that they will be able to do that in the long term if the work is conducted in a well-organized fashion. In the case of our UBPC, it has every possibility. It has a cattle-raising unit to this effect. It may raise cows and sheep without undermining our production levels. We have a favorable prospect and we plan to produce 200,500 quintals of products for 1994.

[Castro] How much?

[Second delegate] We plan to produce 200,500 quintals, which is very good for the 29-caballeria area we have. We are aware of this and we are going to work. Both the UBPC members, and the 116 comrades who will remain in the contingent, will support the UBPC whenever required. This is one of the important things we have. I have absolutely no doubt, Commander, that these UBPC's will yield the expected results.

[Castro] Of course. [end recording]

Castro at PCC Assembly Comments on Tourism Prospects

FL0811033193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 7 Nov 93

[Text] Commander in Chief Fidel Castro presided over the first day of sessions of the Provincial Assembly of the Communist Party of Cuba [PCC] in Havana City Province. The morning session focused on efficiency in the tourism industry. The interventions by representatives of hotels and tourism enterprises of the capital revealed that there are still flaws restricting the development of tourism: lack of discipline, the improper use of the hotels' capacities, and the need for tourism leaders to establish authority and respect, and to be persuasive.

Fidel recognized the importance of the experiences that the foreign entrepreneurs contribute in the administration and marketing of the hotels, and the need the country has for joint enterprises.

[Begin Castro recording] Workers do not work for an owner, a capitalist, even if they work in a mixed enterprise. The capitalist will benefit because he has invested the capital that we do not have. But we too are owners, to a great extent, of that hotel. We are owners of half of the utilities. But we are also owners of the wages that the workers receive there. We are owners of all the goods and arts and crafts that we can produce to sell to the tourists.

I have estimated that in one of those partnerships, for every three dollars, we make two. If we do not have the money to create them, we have no other option than to accept a partner. Even in the mixed enterprise, the worker is working for the country.

If the hotel belongs to the country... [changes thought] We are building many hotels that belong to our country. Whenever we can, we build them. The hotel that I am referring to is 100-percent ours just as the National is ours 100 percent, as well as the Riviera and the other. They are working for our country. What we are paying the others for are their administration and marketing services. When we talk about the foreigners helping to organize the hotel we cannot forget that the foreigners, above all, help sell the hotel, find tourists for the hotel, find markets for the hotel.

After that, the tourist arrives and not only does he stay at the hotel, he rides on a bus that belongs to our country, he uses taxis that belong to our country, he goes to other optional places that belong to the country, which are not part of a mixed partnership. He goes to a cabaret, the Tropicana here or in [word indistinct], which belong to the country. He goes to restaurants that belong to the country. Therefore, in the development of tourism, we are creating a socialist economy, part of which we must give to those who invest capital, experience, and create markets.

Anyone who is living the special period will be able to understand the enormous importance of the development of this branch, which helps us to overcome the special period. When we overcome the special period with our efforts, we will be better off than we were before the special period. It will take time; it will take years. But we are going to build an economy on a much more solid base. If we have analyzed these things and taken up time discussing these things... [changes thought] The principles we have discussed here can be applied in all sectors of the economy. [applause] [end recording]

Electricity Enterprise Announces More Blackouts in Havana

PA0811022393 Madrid EFE in Spanish 0113 GMT 8 Nov 93

[Text] Havana, 7 Nov (EFE)—Blackouts in Havana will become even more severe next week, lasting approximately 40 hours a week, according to a program announced today by the electricity enterprise in the weekly TRIBUNA DE LA HAVANA. The new program means an increase of eight hours on restrictions in some Havana municipalities, which until last week had gone without electricity for 35 hours a week.

Although the new schedule was not accompanied by an explanation, last week the same source had warned that maintaining the country's two largest electricity generating units would mean being forced into a schedule of longer blackouts. The thermoelectric plants Carlos Manuel de Cespedes in southeastern Cienfuegos Province and Antonio Guiteras in Matanzas will receive maintenance service until 15 December. After that date, the blackout program announced for the winter season will resume, the source added.

Tobacco Production Down by 50 Percent

PA0511151293 Mexico City NOTIMEX in Spanish 0030 GMT 5 Nov 93

[Text] Havana, 4 Nov (NOTIMEX)—Tobacco production in Cuba fell by 50 percent during the current harvest. This could have an adverse effect on the product's market and the plans to broaden its sales in Latin America, an official source reported today.

A Cubatabaco Company sales expert indicated that the reduction in harvest was caused by a lack of fuel, fertilizers, and bad weather. He indicated that in 1993 production would drop from 100 million to 50 million [no unit of measurement given]. The traditional highly valued cigars are exported to Spain, France, Germany, the United Kingdom, and the Middle East. For Cuba, tobacco is one of its main sources of export revenue, with annual sales averaging $100 million.

According to analysts, the reduction in the harvest by 50 percent represents for the government a second obstacle in its attempts to secure foreign currency. This year the Caribbean island produced only 4.280 million tons of sugar—its main source of foreign currency—resulting in a $500 million loss in revenues.

Olmedo [not further identified] indicated that, if this situation continues, the market could be adversely affected, while there is always the risk that the consumers of this product could get used to another type of tobacco. Nevertheless, he expressed his optimism that the smokers of Havana cigars will not substitute them for any other because their quality is unique in the world. The official also indicated that currently there are Casas de Habano or Havana cigar boutiques in Mexico, Paris, and in Lebanon. He added that shortly three others will be established in Saudi Arabia and one in Sao Paulo, Brazil.

High-Tech Diagnostic Laboratory Built in China

FL0511194993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 5 Nov 93

[Text] The first Cuban-assisted high-technology services laboratory will be dedicated in China on 6 November.

The laboratory—which is located in Shandong Province, in northern China—was built through the efforts of the enterprise (Tecnosuma) International Inc., a commercial branch of the Cuban Immunology Test Center, which developed the Suma [Ultra Micro Analytic System].

The Suma is a comprehensive system of equipment and reagents used for medical diagnosis. It has also been successfully used to detect AIDS, Hepatitis B and C, and other diseases.

Crombet Attends Santiago de Cuba Energy Meeting

FL0511220093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 5 Nov 93

[Text] Santiago de Cuba Province has good prospects for taking advantage of all of its energy potential, thus enabling it to secure greater savings in fuel for the country's economy, as reported at a meeting of the provincial energy committee.

Attending the meeting was Jaime Crombet, vice president of the National Assembly of the People's Government, who was briefed on the repair work being undertaken at the Antonio Maceo thermoelectric plant to restore its full power capacity. At present, the plant is being adversely affected by the deterioration caused to its facilities by the use of Cuban oil, which is highly corrosive.

Santiago de Cuba Province will be able to save more than 80 metric tons of fuel annually, thanks to hydroelectric power. Thus, it is important to expedite the construction of the projected minihydroelectric plants.

To honor the 35th anninversary of the Revolution, the province intends to stay in the vanguard of efficiently operating plant boilers. One hundred eighty-six teams have been working to achieve such a distinction.

In response to a proposal raised at the provincial scientific hub meeting, Santiago de Cuba will promote the magnetization and emulsion of hydrocarbons in every area and will make the best possible use of renewable sources of energy.

[Begin Crombet recording] Serious, comprehensive, systematic work is being carried out in Santiago de Cuba. This became tangible at both this meeting and the provincial scientific hub meeting, where the successful, far-reaching work being done in the area of energy received recognition. [end recording]

Roundup of Economic Activity Reported 4 Nov to 5 Nov

FL0511190893

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish on 4 and 5 November.

Radio Rebelde at 1255 GMT on 4 November carries an interview with Aristides Ramos Jimenez, head of human resources of the old Sabates soap factory in Cerro municipality, Havana City Province. Ramos describes the difficulties in obtaining the supplies, formerly obtained from various capitalist countries, needed to make laundry and toilet soap. He notes that these difficulties have tripled production costs. He adds that the factory is now manufacturing toilet soap and that production of laundry soap will begin on 5 November. He notes, however, that no detergent is being produced because of a lack of toluene. Ramos reports that the factory workers are working voluntarily on Saturdays and Sundays to guarantee a soap supply to the people. Reporter Carlos Rafael Jimenez adds that the old Crusellas factory has been shut down for repairs and that the only other factory in operation is a small one in Jovellanos.

Radio Rebelde also reports that a mixed Ecuadoran-Cuban enterprise has been created whereby the Ecuadoran Caney Corporation, which already ranks first in its sales of Cuban rum on the Ecuadoran market, will now introduce Cuban rum to 15 Latin American countries. Caney General Manager Fernando Mantilla has also announced that his company donated 1 million notebooks—scheduled to arrive in December—for Cuban students.

Radio Rebelde at 1800 GMT on 4 November reports that over 1,000 members of the Union of Young Communists (UJC) today began volunteer work at the America Libre agroindustrial complex in Contramaestre to participate in weed handpicking and sugarcane planting. Thousands of UJC members also today started to mobilize in support of the sugarcane recovery and food programs in Guantanamo Province. The UJC campaign to honor the 35th anniversary of the Revolution will run from 4 November to 8 January.

Radio Rebelde also reports on an agreement to repair El Malecon St., which will include painting and repairing adjacent buildings, signed by Pedro Chavez, president of the Havana City Provincial Assembly of the People's Government, with officials of Andalucia. The station carries remarks by architect Alberto Caceres, who reports that the project will take approximately five years and that work on the first block will start in November.

Radio Reloj at 2036 GMT on 4 November reports that a source in the Sugar Industry Ministry office in Havana Province has said that Havana Province will have 5 percent less cane available in the next harvest than in the present one, but has set for itself the goal of producing 24 percent more product.

Radio Reloj at 2037 GMT on 4 November announces that a 200-person batallion mobilized by the Union of Young Communists will pick coffee in the Majibacoa area in Villa Clara Province. Villa Clara planted, from July through the end of August, almost 228 caballerias of cane, as part of the cold season planting plan for the second semester. "This represents approximately 50 percent of the 430 caballerias it is possible to plant during the period—a figure also much lower than that of the initial plan."

Radio Reloj at 2042 GMT on 4 November reports that, thanks to a sustained weeding campaign, Las Tunas Province had over 15,000 caballerias [figure as heard] weeded by the end of October, and "83 percent of the plantations were free of weeds".

Radio Reloj at 2046 GMT on 4 November reports that production of clothing has increased in Las Tunas Province, which has, to date, a cumulative production of 388,000 garments, including military uniforms and uniforms for tourism workers. Production has brought in over 2.4 million pesos.

The station also reports that officials of the directorate of finances in Holguin Province conducted 50 audits in the province up to October and detected 700 shortages, to the tune of over 92,000 pesos.

Radio Rebelde at 0000 GMT on 5 November carries remarks by Jose Madera, secretary of the party at the Taino engine plant in San Miguel del Padron, Havana City Province, who reports that plant workers have met their commitment to manufacture 40 engines for the KTP combines that will be used in the sugarcane harvest. Madera reports that Cuban-made components account for 65-70 percent of these engines.

Citing the National News Agency, Radio Rebelde also reports that researchers of the Villa Clara Biochemical Center developed an antibiotics based on sugarcane residues that can fight both fungi and bacteria. The station cites researcher Carlos Estrada, who notes that a medicine known as querantofral has been developed to treat eye infections in livestock. Estrada adds that a cream has also been developed to treat nail and skin infections in humans, which will substitute for imports of antibacterial and fungicidal products such as gentamicin.

Radio Rebelde also reports that several foreign companies that are participating at the 11th Havana International Fair today made important medical donations to Cuba. The Spanish firm Royal Industrial Inc. donated 100 kg of gentamicin valued at $5,000 to the Cuban Enterprise for Importing and Exporting Medical Products, and other Spanish companies donated $10,000 worth of medicines, antibiotics, vitamins, and surgical materials to the William Soler Hospital in Havana. The report adds that the Spanish firm Alonso, which is participating in the fair for the first time, seeks to make cheese in Cuba under a joint venture undertaking.

Recent Russian Poll Shows Support for Ties With Cuba

PA0611015193 Havana Radio Havana Cuba in Spanish 1300 GMT 5 Nov 93

[From the "Morning Information Review" newscast]

[Text] A recent poll in Russia has revealed growing interest on the part of Muscovites that relations between Russia and Cuba remain as they were under the extinct Soviet Union. The survey was carried out by the Institute of Sociopolitical Studies, which is affiliated with the Academy of Sciences, as part of a poll on Russian relations with socialist and former socialist countries. Until the collapse of the Soviet Union, 85 percent of Cuban trade took place with former European socialist countries, mainly Russia. A third of the sugar consumed in the former Soviet Union was imported from Cuba and in exchange Cuba received oil from that country.

Ambassadors of Portugal, Japan Present Credentials

FL0611031193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Nov 93

[Text] Today, in a solemn ceremony held at the Palace of the Revolution, Juan Almeida Bosque, vice president of the Council of State, received His Excellency (Antonio Gusto Carbalo de Faria), who presented his credentials as extraordinary and plenipotentiary ambassador of the Republic of Portugal.

Furthermore, today, his excellency (Hidekasu Takase) also presented his credentials as the extraordinary and plenipotentiary ambassador of Japan.

Chinese Delegation Prepares for Visit by CPC Head

FL0611141993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Nov 93

[Text] Representatives of the Chinese Communist Party [CPC] traveled to Havana on a work mission prior to the visit that CPC Secretary General Jiang Zemin will make to Cuba.

According to reports from PRENSA LATINA in Beijing, Jiang Zemin will arrive in Havana after attending an informal meeting of the (Asia-Pacific Economic Cooperation) group. According to the same source, that regional forum will be held between 19 November and 20 November.

Havana Cites Russian Spokesman on Ties With Colombia

FL0611162193 Havana Radio Progreso Network in Spanish 1100 GMT 6 Nov 93

[Text] The Russian Foreign Ministry has stated that the reestablishment of diplomatic relations between Cuba and Colombia will contribute to promoting the Latin American integration process.

In a news conference held in Moscow, a Russian Foreign Ministry spokesman welcomed the restoration of diplomatic ties by Havana and Bogota.

Rodriguez Received by Indian External Affairs Minister

FL0611190293 Havana Radio Reloj Network in Spanish 1704 GMT 6 Nov 93

[Text] Indian External Affairs Minister Dinesh Singh today met with Cuban Vice Foreign Minister Mario Rodriguez. They agreed on stating that there are broad prospects for expanding cooperation and trade between the two countries.

Singh reiterated his admiration for the struggle being waged by Cuba under the leadership of President Fidel Castro. Singh conveyed his greetings to Fidel and to Foreign Minister Roberto Robaina.

Rodriguez is visiting India in the company of Sonia Diaz, the Cuban Foreign Ministry regional director for Asia and Oceania.

Rodriguez also met with his Indian counterpart, (Salman Haida), with whom he reviewed bilateral ties. During their comprehensive discussion of topics, which included international issues, the two officials agreed on their evaluation of the changing world situation and noted significance the two countries attach to the Nonaligned Movement.

Antigua and Barbuda

Opposition Chides Government for CET Non-Implementation

FL0611024893 Bridgetown CANA in English 2111 GMT 5 Nov 93

[Text] St. John's, Antigua, 5 Nov, CANA—The parliamentary opposition has chided the Antigua and Barbuda Government for slowness in introducing the Caribbean Community's Common External Tariff.

Parliamentary opposition leader Baldwin Spencer complained that government "finds itself in a position ... to be the last to be implementing important regional measures," having in the past been at the forefront of regional integration and trade.

"This does not demonstrate the pivotal, upfront leadership role that Antigua once played when it comes to matters affecting the lives of Caribbean people. Let us hope that with the passage of this piece of legislation we will seek to recapture our position as leaders in the regional community of nations," he added.

The House of Representatives on Thursday passed legislation to implement the tariff, a unified tax measure on goods produced outside the region. Antigua and Barbuda had been the only community country yet to introduce the CET.

Planning and Trade Minister Lester Bird said there "is no basis" for the social partners in Antigua and Barbuda "to be contentious over the CET. We have to understand that we find ourselves locked into certain decisions taken. Whatever may be our personal position, we have to subsume into the regional position in the interest of all," Bird said.

He said he supported the bill, since it had implications for whether Caricom could be a significant market on its own and whether there was the capacity to develop industries and products that could be sold to third countries.

The proposed implementation of the CET here was met with strong opposition from the local Chamber of Industry and Commerce which feared a significant increase in the cost of living.

Finance Minister Molwyn Joseph said "there will be no such thing."

Bermuda

Secret Ballot Brings 'Upset' Election of House Speaker

FL0611182993 Bridgetown CANA in English 1620 GMT 6 Nov 93

[Report by Ivan Clifford]

[Text] Hamilton, Bermuda, 6 Nov, CANA—In a stunning upset, Ernest Decouto was on Friday elected speaker of Bermuda's House of Assembly - a post that had seemed certain to go to dentist Dr. David Dyer.

Decouto's election by five votes—22 to 17—during a secret ballot was seen as a major embarrassment for the ruling United Bermuda Party (UBP) which had nominated 48-year-old Dr. Dyer, the former government whip, for the post.

If elected Dr. Dyer would have been Bermuda's first black speaker and the youngest since the introduction of party politics here 25 years ago. He would also have been the first speaker not to have served as deputy speaker first.

But as the House reconvened for a new session on Friday following the summer recess the predominantly black opposition Progressive Labour Party threw a spanner in the government works by opposing Dr. Dyer's nomination and proposing former Deputy Speaker Decouto, who is white, for the post.

The UBP won only a four-seat majority over the PLP in last month's general election and the likelihood of a close vote emerged on Thursday night when opposition leader Frederick Wade declined to say whether his party would support Dr. Dyer in place of David Wilkinson who has retired from politics.

"We're keeping our cards close to our chest," said Wade. "There are a lot of rumours out there. There seems to be some changing of minds."

On Friday instead of the customary voice vote which was expected to carry Dr. Dyer's nomination Decouto sided with two other government backbenchers, Grace Bell and newly-elected Trevor Moniz, in supporting a PLP call for a secret ballot.

In the secret ballot a fourth UBP member voted for Decouto.

Dr. Dyer's chances had already been hurt by the absence of Education Minister Dr. Clarence Terceira, who is off the island and missed the vote.

Joe Gibbons, the UBP's executive officer, told CANA: "(The) vote is very regrettable.... You expect members to follow the party line."

Dr. Dyer declined to be nominated for deputy speaker, a post that went unopposed to newly elected UBP backbencher Tim Smith, who is white.

Decouto, who served five years as deputy speaker, was clearly upset when passed over for the UBP nomination two weeks ago. Dr. Dyer's nomination then was unopposed.

Decouto, who is in his late 60's, said at the time: "Once you've served five years as deputy speaker the next step is obvious - to be speaker. If it didn't happen, it didn't happen."

Grenada

Deficit of EC7 Million Projected for 1994 Budget

FL0611183993 Bridgetown CANA in English 1643 GMT 6 Nov 93

[Text] St. George's, Grenada, 6 Nov, CANA—Grenada is likely to face a seven million dollar deficit when the 1994 budget is presented in December, although the economy is expected to grow by one percent in 1993, according to Finance Ministry officials.

The officials gave the assessment after a meeting with an annual review team from the International Monetary Fund (IMF).

Macro economic planner Anthony Boatswain told CANA the projected budget deficit will be just over EC7 million dollars (one East Caribbean dollar—37 US cents), although there will be a close to EC4 million surplus on the government's recurrent account.

"There is some reason for optimism because for the first time the IMF has given us a positive review of our structural adjustment programme," Boatswain told CANA.

Last year the budget deficit stood at EC.6 million dollars [figure as received] because of the inclusion of EC10 million earned from the sale of the National Commercial Bank to the Republic Bank of Trinidad and Tobago.

Prime Minister and Finance Minister Nicholas Brathwaite told CANA Friday, minutes after meeting with the IMF team, that while some progress was made there was still much to be done.

"The general conclusion was that there has been an improvement in the management of the economy and generally the revenues have improved," he said.

He was quick to point out that because of Grenada's huge arrears of debt to be serviced, the island will not achieve an overall surplus "for some time".

The prime minister was cautious about the IMF findings saying he was being careful not to mislead the population into thinking that the island was "out of the woods".

He told CANA the government was holding discussions with its creditors to try to reschedule debt, but this was taking some time.

"What is most important at this time is the fact that we must get a higher growth in the national economy, we want a higher level of growth," he said, adding that the tourism sector was "keeping Grenada afloat" because of the downturn in the agricultural sector.

Haiti

Army Absence Causes Caputo To Cancel 5 Nov Talks Session

FL0511180993 Port-au-Prince Radio Metropole in French 1500 GMT 5 Nov 93

[Text] The restart of discussions on the Haitian crisis is scheduled for this morning [5 November] at the Christopher Hotel. The inter-Haitian talks should last two days, 5 and 6 November. International mediator Dante Caputo will chair the debates that should begin at 1000 this morning. The participants, including Prime Minister Robert Malval, the presidents of the two chambers, and foreign diplomats are there, but so far the military delegation has not shown up. Rothschild [Francois, Junior] reports live from the Christopher Hotel in Port-au-Prince:

[Francois] We are at the Christopher Hotel. I inform you that Dante Caputo, international mediator for the Haitian crisis, has just cancelled the session because of the absence of the military representatives. Caputo pointed out that he was going to inform the UN Security Council of this situation. All delegations except the military were present. Caputo decided to cancel the session. He said he would meet with the press shortly.

[Mexico City NOTIMEX in Spanish at 1544 GMT on 5 Nov reports that Dante Caputo said that urgent consultations with the UN Security Council will be held, adding that he regretted the attitude of the high-ranking officers who have refused to participate in finding a peaceful solution to the crisis.]

Cedras Gives Reasons

FL0511183693 Port-au-Prince Radio Metropole in French 1500 GMT 5 Nov 93

[Text] The session has been canceled. The Army did not participate in this concerted action meeting. The Army commander in chief wrote to Mr. Caputo to raise points of disagreement with the UN initiative aimed at restarting the implementation of the agreement, which has been blocked at the fifth point.

In his letter to Caputo, General Cedras noted the short deadline of two days granted to the participants to solve such a serious problem, on which the future of 6 million Haitians depends, and the time limitation of the working sessions, which leads to a belief that the conclusions have already been worked out and finalized.

In conclusion, Gen. Cedras disapproves of the security aspect of the meeting. The general says that as a Haitian citizen and commander in chief of the Haitian Armed Forces, he is outraged that his safety and that of his General Staff should be ensured by foreign armed civilians.

Senate, Chamber Presidents Comment

FL0611010493 Port-au-Prince Radio Metropole in French 1700 GMT 5 Nov 93

[Passages within quotation marks recorded]

[Text] The president of the Chamber of Deputies, who accepted the UN invitation, believes the Army's absence was the result of the fact that the military did not receive sufficient notice of the meeting:

[Begin Joseph recording] My impression is that contacts were not established [word indistinct] with the Armed Forces. It was necessary to ensure the presence of the Armed Forces before convening such a meeting. I do not believe that negotiations with the Haitian Armed Forces had sufficiently intensified for convening such a meeting.[end recording]

The Senate president expresses his regret over the meeting's cancellation:

[Begin recording] [Jean-Louis] [as heard] It is unfortunate. It is a real pity that one of the parties did not show up. It was a golden opportunity for us Haitians to talk with one another, to make exchanges; to see what is wrong, what blocks the situation, and why the accord cannot be implemented.

[Reporter Francois] Do you think that there is still time to relaunch this process?

[Jean-Louis] I am afraid that time is against us. We indeed do not have time. Nevertheless, I hope that dialogue will resume. In any case, everyone should do whatever they can so dialogue can resume. There is nothing else to do than to continue to talk, to hold discussions, in order to solve the crisis. [end recording]

Parliamentarians Interviewed

FL0611020793 Port-au-Prince Signal FM Radio in French 1800 GMT 5 Nov 93

[Report by Ralph Cherizard on the aborted meeting of the government, the Army, the parliament, and the international community at the Christopher Hotel in Port-au-Prince on 5 November—recorded]

[Excerpts] [Cherizard] On the morning of 5 November, the date on which discussion of the Haitian crisis was to be held, the premonition was confirmed that the Army is not willing to sit with the other parties so long as Dante Caputo and the international community do not take into account the reservations expressed by the military command through General Raoul Cedras' most recent letter.

At the zero hour, the delegations, including representatives of the international community, the government, and parliament—at least, a fraction of the legislature, as members of the Alliance for Parliamentary Cohesion [ACP] refused to accompany their president, Dr. Antoine Joseph, to this urgent meeting—marched past. Everything was ready: the plenary room for the inaugural session, the rooms intended for workshops, and especially an important security force composed of Haitian and foreign policemen. One of the parties had not yet shown up. [passage omitted] UN Spokesman Eric Falt mentioned the delay by the Haitian Army delegation and announced a later statement by Dante Caputo, the international mediator.

In the meantime, the contacts were intensifying. The Haitian Army sent a new letter to Dante Caputo. One moment later, in the room intended for the inaugural session, the international emissary, staggered [not further explained], announced cancellation of the discussions, and next steps.

[Caputo] Given the circumstances, [words indistinct] the necessity for the international community, the United Nations, and the OAS to define our next steps in these negotiations, I am going to hold consultations with the secretaries general of the United Nations and the OAS, and will put at the disposal of the UN Security Council all the information necessary for these negotiations.

[Cherizard] The news is amazing, even though some say they are convinced that the scene was predictable, given Gen. Cedras' latest letter, published on the night of 4 November. Obviously, UN sources contacted by the press asserted that the Army would be present at this meeting. The session was dismissed and the members of the delegations hastened to their cars, clearing the room. It was during this eagerness to leave that we in turn questioned Dr. Antoine Joseph, president of the Chamber of Deputies; Senator Firmin Jean-Louis, Senate president; and National Front for Change and Democracy Deputy Patrick Norzeus.

[Joseph] All those [words indistinct] that there cannot be negotiations on the Governors Island agreement without the presence of one of the signatories.

[Unidentified reporter] But if this signatory constantly refuses to come, what do you propose?

[Joseph] Well, this question should be asked of the international community instead, especially the UN Security Council.

[Reporter] [words indistinct] that you advocate?

[Joseph] We in the Chamber of Deputies have already given our support to the Governors Island agreement by participating [changes thought] by signing the New York pact.

[Jean-Louis] It seems to me that it was an opportunity for Haitians to talk to one another in—obviously—the presence of the international community, in order to try to resolve the crisis. We are always open, available, and we are always ready to take all kinds of initiatives, provided that they can lead to a way out of the crisis.

[Norzeus] ...never wanted a solution to the crisis. The absence of the Army clearly proves that the Army does not want a solution to the crisis. It should also be noted that ACP parliamentarians, who have always been instruments in the hands of the Army, did not participate because the Army did not. [passage omitted]

A member of one of the delegations that participated in this meeting told us that the future looks uncertain and that we should just wait and see.

Elected 18 Jan Legislators Resume Seats

FL0511232393 Port-au-Prince Radio Metropole in French 2000 GMT 5 Nov 93

[Text] The news at the Haitian parliament is that the legislators elected 18 January have decided to resume their seats. Edner Jean filed a report:

[Jean] Indeed, the controversial 18 January elected legislators have decided to permanently resume their seats in parliament, beginning today. They stated during a news conference that there is a limit to their patience, and that their patience has ended today.

It was the president of the Alliance bloc, engineer Dejean Belizaire, who announced this during a news conference. He stated that the Malval government did everything it could to break the New York pact. He also accused the Constitutionalist bloc of deliberately boycotting the parliament's efforts.

The senator therefore demanded that the 18 January senators be considered part of parliament, and advised that from now on they are going to make decisions regarding the crisis. Further details in later broadcasts.

FRAPH Asks UN To Remove Caputo From Post

FL0611002393 Port-au-Prince Radio Metropole in French 1700 GMT 5 Nov 93

[Text] The Revolutionary Front for Haitian Advancement and Progress [FRAPH] reacts to the meeting cancellation:

[Begin Chambelain recording] In response to the unsuccessful attempt by special envoy Caputo to relaunch negotiations in defiance of proposals by the national sectors, FRAPH asks the UN sector making these decisions—if it does not wish to be reflected in Caputo's consummated failure—to absorb the consequences of this new data as soon as possible by recalling the clumsy architect of the aborted meeting. It is more than time to give precedence to reason so as to finally reach a provisional solution which will allow a modus vivendi for an effective management of the crisis.

Port-au-Prince 5 November 1993, L. Jodel Chambelain, FRAPH coordinator general; Emmanuel Constant, FRAPH secretary. [end recording]

Dominican Diplomat Proposes Plan to Army To Resolve Crisis

FL0511144493 Port-au-Prince Signal FM Radio in French 1130 GMT 5 Nov 93

[Text] The General Staff of the Haitian Armed Forces advised on 1 November that they received, that same day, Dr. Raphael Gonzales Pantaleon, who communicated to them his proposal for the resolution of the Haitian crisis. The Army General Staff gave no information either on the nationality of Pantaleon or on the contents of his proposal. However, according to TIME magazine of 3 November, Pantaleon is a former ambassador of the Dominican Republic to the United Nations and President Joaquin Balaguer is aware and approves of his undertaking as regards the Haitian crisis. The magazine further reports that (Kevin Katke), who had selected Pantaleon for the Haitian matters, advised that the Dominican president has been hostile to President Aristide for a long time. Still according to the U.S. magazine, for his part, (Kevin Katke) was chosen by (Lynn Garrison), a Canadian citizen introduced as the person unofficially in charge of Haitian Army public relations.

(Katke) is reportedly part of a team in charge of helping the Army emerge honorably from the crisis arising from the 30 September 1991 bloody coup d'etat. Pantaleon was presenting his plan to the Army at the same time that Dante Caputo, mediator for the international community, was inviting the protagonists of the Haitian crisis to a new series of negotiations aimed at reactivating the Governors Island agreement and obtaining the return of President Aristide as soon as possible.

Jamaica

Foreign Minister Meets With Chinese Officials on Trade

FL0611185793 Bridgetown CANA in English 1632 GMT 6 Nov 93

[Text] Kingston, Jamaica, 6 Nov, CANA—Jamaica's Foreign Affairs and Foreign Trade Minister Paul Robertson has lauded China's successful economic reform programme.

The state news agency JAMPRESS reported Robertson who is on tour of China and the Far East, as telling Chinese officals that powered by economic liberalisation their economy had become a primary engine of growth in the Asia-Pacific region.

He outlined Jamaica's own programme of economic re-structuring and reform and pointed out that with the country's strategic location and access to major North American and European markets, there was excellent potential for co-operation in joint ventures between Jamaican and Chinese enterprises.

The minister also noted that one Chinese company had begun operations in the Kingston Free Zone and expressed the hope that more would follow.

Robertson held separate meetings with Qiao Shi, chairman of China's National People's Congress, and with Vice Premier and Foreign Minister Qian Qichen.

They discussed political and economic issues of "mutual interest" and the possibilities for increased bilateral trade and investment.

On international issues, the ministers noted that much progress had been made toward bringing about majority rule in South Africa, but that it was still necessary to carefully monitor the situation there so as to ensure that a successful transition takes place.

They also exchanged views on Haiti, emphasising the importance of implementing United Nations resolutions to help the poor Caribbean nation.

The ministers discussed the role of the United Nations in peace- keeping and also examined the implementations of the North America Free Trade Agreement (NAFTA).

The Chinese foreign minister noted that while UN peace-keeping had been successful in Cambodia, similar success did not appear to be imminent in Somalia and Bosnia.

Robertson is leading a high-level team of public and private sector representatives to the Far East as part of Jamaica's effort to stregthen political and economic ties with the region.

Two Environmental Commissions To Be Created Under NAFTA

PA0711041293 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 6 Nov 93

[From the "Plenty of News" newscast; live relay by Mexico City XHTV Television Network]

[Text] Santiago Onate, national director of environmental protection [procurador general de proteccion al medio ambiente], said that environmental relations between Mexico and the United States are growing more intense. He stated that with the implementation of the North American Free Trade Agreement [NAFTA], progress will be more rapid in dealing with environmental problems on the border.

Onate reported that both countries will create an ecological cooperation commission and a financial environmental fund.

[Begin Onate recording] The creation of these institutions will depend on the approval of NAFTA. Today we have implemented existing agreements such as the La Paz Agreement and the Integral and Environmental Border Program. We are confident that the new institutions, whose approval is subject to the passing of NAFTA, will permit us to advance at a faster pace to deal with these problems. [end recording]

President on Possible U.S. Rejection of NAFTA, Cuba Vote

PA0711202493 Mexico City NOTIMEX in Spanish 1941 GMT 7 Nov 93

[Text] Tegucigalpa, 7 Nov (NOTIMEX)—Honduran President Rafael Leonardo Callejas today said that if the U.S. Congress rejects the North American Free Trade Agreement [NAFTA] "it would be a setback in terms of free trade worldwide." He added that if NAFTA is rejected, Central America will suffer both medium- and long-term setbacks by being denied the ability to participate in an important free trade zone.

The trade agreement between Mexico, the United States, and Canada (scheduled to go into effect on 1 January 1994) will be submitted to the U.S. House of Representatives for approval on 17 November. The Canadian Parliament has approved the agreement, but the Mexican Senate has yet to ratify it.

Meanwhile, Callejas gave assurances that the free trade agreement between Central America, Colombia, and Venezuela, which the Central American countries signed on 12 February, will be signed by the South American countries before the end of the year. Although the free trade agreement with the South American countries should have been signed at the recent regional summit in Guatemala, this failed to occur because certain technical agreements had not been reached. Nevertheless, the Honduran president expressed hope that the agreement would be signed before 31 December 1993.

Although, while addressing the United Nations, he spoke against the blockade established against Cuba by the United States since 1960, President Callejas dismissed the possibility of Honduras restoring relations with Cuba.

"We have always stood against any action that interfers with the commercial affairs of the world's nations." Callejas said, explaining Honduras' vote against the U.S. blockade on Havana.

Social Development Secretary Meets Cuban Foreign Minister

PA0611131193 Mexico City XEQ Canal 9 Television Network in Spanish 0200 GMT 6 Nov 93

[From the "Plenty of News" newscast; live relay by Mexico City XHTV Television Network]

[Text] Social Development Secretary Luis Colosio Morrieta and Cuban Foreign Relations Minister Roberto Robaina held a private meeting today in Mexico City. During the encounter, which took place at the Sede Sol headquarters in Mexico City, the officials discussed action programs forwarded by the Social Development Secretariat.

Colosio Morrieta explained the scope and objectives of the National Solidarity Program, urban development activities such as the 100 Cities Program, and achievements in environmental protection. Beatriz Paredes, the Mexican ambassador to Cuba, and Jose Fernandez de Cossio, the Cuban ambassador in Mexico, were present at the meeting. In the afternoon, the Cuban foreign affairs minister met with Communications and Transport Secretary Emilio Gamboa Patron.

Governors React to Salinas' Proposed Civility Pact

PA0711173893 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 Nov 93

[From the "Good Morning From Mexico" newscast]

[Text] Governors Socrates Rizzo of Nuevo Leon, Mario Villanueva of Quintana Roo, Eliseo Mendoza Berrueto of Coahuila, and Ausencio Chavez of Michoacan have reacted to President Carlos Salinas de Gortari's proposed civility pact for the 1994 elections.

[Begin recording] [Rizzo] Every sensible person must support this civility pact. Who would dare to reject a civilized campaign, respectful treatment, and a summons to tolerance and legality? These are basic principles to which no one in his right mind can object.

[Villanueva] The civility pact is an agreement that shows the determination of all sides. Anyone who does not wish to sign it is entitled to act accordingly, but he would be simply proving he has no desire to participate in an honest, open race that could be held by way of a civility pact.

[Mendoza] What we must do is make room for all political parties, respect all candidates, and compel everyone to respect the electoral laws to prevent the slightest doubt from arising in terms of the electoral results.

[Chavez] It is obvious that each candidate must earn his opportunities [words indistinct]. [end recording]

Political Parties React

PA0711174093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 Nov 93

[Report by Francisco Rubio from the "Good Morning From Mexico" newscast]

[Text] The Democratic Revolution Party [PRD] and National Action Party [PAN] have reacted to President Carlos Salinas de Gortari's summons to sign a civility pact.

The summons to respect the law as part of the civility pact set forth by Mexican President Carlos Salinas de Gortari for the 1994 federal elections should be signed at once [as heard], says Rene Bejarano, president of the PRD in the Federal District.

Summing up the fifth annual state of the nation address by President Salinas de Gortari, Bejarano, who is also a federal deputy, said this political agreement should not become a scheme to deceive the local and international public.

[Begin Bejarano recording] By way of a civility pact, the opposition has been asked to surrender and relinquish civic mechanisms used to defend the people's wishes. It is an effort to tie the opposition's hands. [end recording]

Meanwhile, PAN Deputy Felipe Garate said the OAS Inter-American Human Rights Commission has acknowledged that over the past few years there has been significant progress in electoral matters in Mexico.

[Begin Garate recording] The OAS Inter-American Human Rights Commission tacitly recognizes the progress that has been made, because it gets to the bottom of the matter, and, moreover, in this case, it even points out that electoral laws have been modified in response to recommendations. There has indeed been some recognition. [end recording]

The report issued by the OAS Inter-American Human Rights Commission resulted from a PAN request that the development of electoral processes in Mexico be investigated.

PRI Official Supports Pact, Criticizes PRD

PA0711174393 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 5 Nov 93

[Report by Jaime Guerrero from the "Good Morning From Mexico" newscast—passages within quotation marks recorded]

[Text] The political civility pact's purposes were defined on 4 November.

[Fernando Ortiz Arana, president of the Institutional Revolutionary Party [PRI] "The way we see it, Mr. President, it is not a question of signing a piece of paper."

PRI leader Fernando Ortiz Arana said the call for civility made by President Salinas does not mean signing a piece of paper, starting new reforms, or opening up an electoral process that has already been closed. In this way, he replied to a letter sent by PRD [Democratic Revolution Party] leader Porfirio Munoz Ledo to President Salinas. The letter proposed immediate contacts to reach agreements to ensure the country's peaceful transfer to a democratic system. Ortiz Arana explained that the call for peaceful civility is a question of attitude.

[Ortiz] "It is not a question of acquiring new commitments but, rather, one of maintaining those commitments already established by law, and by doing so with politeness and political respect among all contenders. This is why we agree with the pact. We want the law complied with, and all of us want to be present. [applause]"

PRI followers considered the attitude expressed in the PRD letter to Salinas as behavior that generates mistrust and goes against the proposed political civility.

[Ortiz] "Someone has described the PRD members very acurately—as political crabs. [laughter, applause] On Monday, these opposition deputies made us feel sorry for them."

As far as the Labor Congress is concerned, however, opposition parties must learn to live within a framework of civility. Mario Suarez said this does not mean that the PRI is gaining political opportunities by way of blackmail. He added that in the next electoral process the PRI will defend with votes the power it has held ever since the Mexican Revolution.

[Suarez] "We will not allow this power to be snatched from us."

The PRI and the Labor Congress met with President Salinas separately in connection with the president's Fifth State of the Nation Address. The PRI said at the meeting that there are no divisions within the party, that it stands united, and that it reaffirms its support of President Salinas.

Costa Rica

Foreign Minister on UN Vote, Rapprochement With Cuba

PA0511170593 Paris AFP in Spanish 1558 GMT 5 Nov 93

[Excerpts] San Jose, 5 Nov (AFP)—Costa Rica seeks "a certain rapprochement" with Cuba because the transition from communism to democracy must be peaceful, said Costa Rican Foreign Minister Bernd Niehaus as he justified his country's vote at the UN General Assembly in favor of lifting the economic embargo imposed on the island.

In an interview carried by LA NACION newspaper today, Niehaus, who is candidate for OAS secretary general, called on the nations of the continent to prevent "bloodshed" in the search of democracy for Cuba after 34 years of Fidel Castro's government. He said: "We must work jointly to guarantee the defense of democracy, human rights, and freedom on the island. The changes, however, must be peaceful. Sooner or later, we will have a democratic Cuba." He added that his country will not establish diplomatic relations with Castro's government. [passage omitted]

The Costa Rican foreign minister said the proposal to lift the embargo on Cuba coincides with the provisions of the Third Ibero-American Summit held in Salvador, Brazil, in July, where the presidents rejected the application of economic measures by one country on another because it would inhibit international trade and violate a country's sovereignty. [passage omitted]

President Callejas Voices Support, Desire To Join NAFTA

PA0511194493 San Jose Radio Reloj in Spanish 1730 GMT 5 Nov 93

[From the "Radio Reloj" newscast]

[Text] President Rafael Angel Calderon Fournier this morning traveled to Puerto Rico to attend ceremonies to commemorate the 500th aniversary of the foundation of the U.S. commonwealth. The presidents and foreign trade ministers of the rest of the Central American countries also will attend the ceremonies.

A number of aspects related to the utilization of funds known as 9-36 Funds, which amount to $200 million and will be alloted to Central American countries next year, will be analyzed at this meeting. These funds will be used to install factories that produce exports in an effort to take advantage of the benefits of the North American Free Trade Agreement [NAFTA].

President Calderon said his presence in Puerto Rico during these ceremonies is meant to show his solidarity with the people of Puerto Rico, as well as to show reciprocity for the aid that has been received, because Puerto Rico has a number of industrial plants in our country.

Here are the president's statements regarding this visit.

[Begin Calderon recording] The proposals the foreign trade minister will present at the Sunday ceremony center on the support we have given, still give, and will continue to give to NAFTA, as well as our interest in joining the trade agreement.

What we really plan to do in Puerto Rico during this short visit is to continue strengthening relations between Costa Rica and Puerto Rico. Puerto Rico represents the purest Hispanic America, and it harbors the purest Hispanic American feelings of the United States.

By way of the 9-36 Funds, the country has already begun to benefit, because there already exist investments and factories in Costa Rica financed by way of the 9-36 Funds.

They will officially announce to us that, instead of $100 million annually for investment in our region, the amount will be doubled. The investment from the 9-36 Funds for our region will amount to $200 million annually.

Obviously, this is something that this government has sought from the beginning. We wanted to attract investment to the country, and we have achieved it through our confidence and a combined national effort. This will immediately encourage new employment, better salaries, and better living conditions for all.

This is the goal: to get closer to this new Puerto Rican Government to continue to enjoy this flow of investment and to continue our relations with Puerto Rico. Costa Rica is already exporting many things to Puerto Rico. [end recording]

El Salvador

Commentary Sees U.S. Assistance as Interference

PA0511133893 San Salvador EL DIARIO DE HOY in Spanish 4 Nov 93 p 41

[Commentary by Hermann W. Bruch: "Now the FBI! When Will the Marines Land?"]

[Text] There is no finesse in the implementation of the policy of intervention and occupation exercised by the United States. It is so accustomed to just going in, groping around, and doing as it wishes in our country that it no longer even bothers to resort to the art of diplomacy. It no longer has to because it now is the master of the world, without any opposition. The United States has the military might and the economic muscle, and wham, it's over.

Moreover, we brought this upon ourselves, and we will continue to bring it upon ourselves because we do not have the nerve or resolve to impose order and rationality on our actions. We continue to resort to primitive uncivilized schemes to impose our ideas, if we can describe these things as ideas. We have returned to the days of a bullet in the neck or a speedy execution in order to eliminate any opposition that may bother us. The result is that our "big brother" (who is nothing of a brother) has come to impose his own police system to investigate and maybe even penalize those who are found guilty of the crimes being investigated.

All this is the result of having dismantled our security forces without having taken prior measures to replace them. Of course, it is obvious that the interventionist hand seeks sufficient "justification" to intrude more and more in our affairs because the Americans have determined that we are unable to make decisions with maturity. In this way, they will continue to keep us under their guardianship, "assistance," and control.

Why the devil do we not simply become another U.S. state once and for all? We would be lot better off, and it would legitimize the stay of those countrymen in the northern part of the hemisphere who are searching for a Shangri-la type of well-being in the asphalt jungles of Los Angeles, Washington, Houston, and other cities.

I really do not know what is happening to us and why more voices of protest are not being heard. Silence has a indecent connotation of whispered asides and sinister cohabitation. I ask myself if this is the type of nationalism for which we Salvadorans are searching—a nationalism dyed U.S.-dollar green.

No, sir, let us not surrender that easily. Money is not everything, least of all when it is being given with conditions attached. Money has value when it is earned through the sweat and blood of our labor and collective efforts. History has never shown a country that was able to develop as result of charity. Never!

Nevertheless, there are numerous examples of countries that were able to break the chain of dependency and poverty by sustaining programs strictly on the efforts and actions of their own people and by being led by honest and conscientious rulers. Furthermore, these countries were able to implement proposals of independence by stressing private initiative and respect for the law and the individual.

We still have time to break those humiliating chains that keep us manacled to the will of those who send us their disgraceful gifts. Now that we are on the threshold of the most significant election process in our history, we must take advantage of the opportunity to consult the people what they would prefer: whether to continue receiving charity and orders from abroad, or to recover our sovereignty and standing with dignity and to bravely and courageously start turning the wheels of progress.

Let us all join this great crusade and discard our petty and private interests on behalf of the good of the entire nation and assist in the birth of another dragon in the Pacific, that great ocean that will be the stage of the most significant shifting of power and commercial exchange in the world's history.

Cristiani 'Unexpectedly' Breaks Off Asian Tour, Returns

PA0611185793 Panama City ACAN in Spanish 1714 GMT 6 Nov 93

[Excerpts] San Salvador, 6 Nov (ACAN-EFE)—Official sources report that Salvadoran President Alfredo Cristiani unexpectedly returned to the country today, Saturday, thereby breaking off, for undisclosed reasons, a tour of Asia during which he only visited Japan.

A communique issued by the National Communications Secretariat (SENCO) says Cristiani arrived at El Salvador's international airport at 0639 (1239 GMT) aboard a commercial flight. Meanwhile, the short communique fails to explain the reasons for which the president did not complete the rest of his tour, which would have taken him to South Korea and Taiwan to seek financial support and investments to help with the nation's reconstruction. The tour was originally scheduled to end on Monday.

Cristiani returned with a promise from the Japanese Government to grant $99 million in credits for the country's economic reconstruction and to donate $200,000 to support the general elections to be held on 20 March 1994. [passage omitted]

Cristiani now will be able to participate in a convention to be held tomorrow by his party, the right-wing Nationalist Republican Alliance, during which the party will ratify its candidates for the presidency and vice presidency—namely, Armando Calderon Sol and Enrique Borgo Bustamante.

Political Parties Sign Pact To Respect Election Process

PA0611033593 San Salvador Radio Cadena YSU in Spanish 1800 GMT 5 Nov 93

[Report by Boris Zelada; from the "YSU Radio News" newscast]

[Text] At this time I am standing in the parking lot of the Onusal [UN Observers to El Salvador] headquarters in San Salvador where the presidential candidates of the Democratic Convergence Party [CD], Farabundo Marti National Liberation Front [FMLN], Nationalist Republic Alliance [Arena], National Conciliation Party [PCN], National Solidarity Movement [MSN], Unity Movement, and the National Revolutionary Movement [MNR] have signed an agreement entitled Commitment for Peace, where they basically agree to ensure the peaceful development of the forthcoming 20 March 1994 elections.

The text of the document signed by the presidential candidates states that they look on the peace process as a historical accomplishment by the Salvadoran people. In this respect, it goes much further than any ideological concept or sectorial and party self-interest.

In addition, they solemnly agree to maintain the constructive development of said process by unflinchingly honoring all commitments included in the peace agreement in order to ensure harmonious development and convinced of the full extent of the democratic process.

Likewise, the political parties emphatically reject any disposition [two-second break in reception] violence or intimidation which may seek to disturb the normal development of peace and stability in the country.

Most especially, they repudiate the criminal activities and actions that attempt against life and other fundamental rights of the individual, the objective of which is to retrogress the current stage the country is in. [One-minute break in reception] they pledge their political and human disposition, in the unbreakable conviction to decidedly advance toward the consolidation of the state of law and orderly modernization of all state institutions based on healthy pluralism. [One-second break in reception] they all become obligated as a result of the dictates of the citizen's awareness to make the forthcoming election process an example of organization, respect, and peaceful debate for the historical majesty of a nation that has made all sorts of sacrifice to find peace and live in democracy and harmony.

The document signing ceremony was witnessed by representatives of friendly nations as well as a special representative of UN Secretary General Butrus Butrus-Ghali. The presidential candidates of each party we mentioned at the beginning of the report were present at the signing ceremony. The candidates include Dr. Ruben Zamora, CD; Victor Manuel Valle, MNR; Manuel Edgardo Rodriguez, MSN; Dr. Armando Calderon Sol, Arena; Colonel Roberto Escobar Garcia, PCN.

The document was not signed by the Christian Democratic Party [PDC] which is expected to clarify its position in a news conference.

Government Warns It Cannot Guarantee Politicians' Safety

PA0611180093 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 5 Nov 93

[Report by Dagoberto Coreas from the "Facing the Moment" newscast]

[Text] Salvadoran Vice President Francisco Merino today said that the Salvadoran Government cannot guarantee the personal safety of politicians. Merino said the government is under the obligation to clear up the murders of the two leaders of the Farabundo Marti National Liberation Front, FMLN.

According to Merino, those responsible for the crimes will be tried according to law to allow a precedent to be established. Nevertheless, he said the government cannot guarantee the personal safety of FMLN leaders.

[Begin Merino recording] That is why a special security plan has been implemented. All those politicians who believe they are threatened can get support for personal safety to lessen situations of risk. It is very difficult to guarantee their safety 100 percent. President Cristiani and I ran risks when we were running for office. [end recording]

According to Vice President Merino, the investigations being conducted by both national and international police forces cannot be politicized because this could obstruct the investigations.

[Begin Merino recording] We want the crimes cleared up so that those found guilty can be punished, no matter who they may be. In this case, we are not considering ideological or partisan issues. We are simply condemning violence, regardless of who is promoting it, because we will not tolerate actions that could destabilize the country and frighten the public, which has tried to create an atmosphere of peace through great efforts and sacrifice. [end recording]

Acting President Merino Announces Arrival of FBI Team

PA0711132893 San Salvador EL DIARIO DE HOY in Spanish 4 Nov 93 pp 2, 47

[Text] Acting President Francisco Merino has confirmed yesterday's arrival of an FBI delegation in El Salvador to help investigate several attacks.

At a news conference after asking the Legislative Assembly for permission to travel to Puerto Rico tomorrow on an official mission, Merino said Spanish police also will arrive before the weekend, and agents from Scotland Yard will follow.

The vice president urged the people to defend the achievements of the process of peace and democracy, because clandestine groups are trying to destabilize the political system.

Merino urged everyone to avoid obstructing the investigations into recent murders and await official results. He also called on all sectors to reflect on the situation the country now faces. "We must wait prudently," Merino pointed out.

Two former commanders of the Farabundo Marti National Liberation Front (FMLN)—namely, Francisco Velis and Heleno Castro—as well as Sebastian Areniva, a member of Arena [Nationalist Republican Alliance] and a Chinameca councilman, have been murdered within the past two weeks.

The acting president offered government protection to political leaders who feel threatened. It is strange, he pointed out, that we offered protection to the FMLN, but, so far, it has not responded to our offer.

As for the "death squads" that are being blamed for these murders, Merino recalled that this issue has been discussed for the past decade, and he added that the government has always rejected all forms of violence. There must be an exhaustive investigation to ensure that those who are responsible are brought to justice, he added.

Meanwhile, Dr. Gabriel Mauricio Gutierrez Castro, president of the Supreme Court of Justice, said, "As a Salvadoran, it does not please me that we continue to resort to asking other countries to solve our problems here."

Nevertheless, he admitted, if El Salvador lacks organizations capable of investigating crimes, "as seems to be the case, because the president (Alfredo Cristiani) has sought help from abroad," and in view of political pressure, the president has no other option.

Gutierrez Castro underscored that the investigations should include the slaying of First Criminal Judge Francisco Pleitez Lemus, who was murdered in September. "I regret what happened to the two FMLN members, but it seems like we judges are second-class Salvadorans," he added.

Prosecutor General Romeo Melara Granillo said the experts from international organizations who will be arriving in the country will only assist the Crime Investigation Committee in its investigations. He added that this committee has all of the necessary technical resources to conduct the investigations.

Merino Denies Government Covering Up for Death Squads

PA0711154893 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Nov 93

[From the "Up to Date" newscast]

[Text] Acting President Francisco Merino says the government is not concealing information that would lead to the identification of death squad members. Merino said an interministerial commission has already been formed to investigate the existence of these armed illegal groups.

FMLN [Farabundo Marti National Liberation Front] leader Joaquin Villalobos asserts that vital information contained in the Truth Commission Report, which could well lead to the breakup of the so-called armed illegal groups, is being concealed. Merino, however, has denied Villalobos' allegations.

[Begin Merino recording] Government institutions are conducting an investigation, while nongovernment organizations that are capable of establishing the truth can also participate. The government has no interest in concealing any events or evidence. [end recording]

On the contrary, Merino said, the government has already initiated an investigation designed to eradicate those armed illegal groups attempting to destabilize the peace process.

[Begin Merino recording] The investigation is already under way. The government does not need to be prompted by an unconventional group to fulfill its constitutional duty. Every death, despite who the victim may be, must be investigated, and once its perpetrator is identified, he must be subjected to justice and made to pay for his crime in accordance with our laws. [end recording]

Regarding the FMLN murders, Merino described them as cowardly and despicable, and he expressed confidence that the joint investigation that will be conducted by the FBI, Scotland Yard, and the Salvadoran authorities will resolve these cases.

The acting president made the above remarks following a visit to the Legislative Assembly on 3 November to request permission to attend the celebration of the 500th anniversary of Puerto Rico's discovery 5-9 November.

1 ARENA Member Dead, 1 Wounded in Attack

PA0711152393 San Salvador EL DIARIO DE HOY in Spanish 4 Nov 93 p 4

[Text] ARENA [Nationalist Republican Alliance] has condemned two attacks in which one of its members was killed in the eastern zone and another was critically wounded in San Salvador.

Sebastian Araniva, party member and alternate councilman of Chinameca, San Miguel, was killed early Tuesday by five unidentified gunmen who opened fire with heavy caliber weapons. Meanwhile, Oscar Jimenez, municipal director of ARENA's young members in Ciudad Delgado, also was shot by unidentified gunmen. ARENA sources say two unidentified men carrying various weapons shot Jimenez on Monday night in the Guardado neighborhood. ARENA's municipal director for young members was shot in the stomach.

ARENA demanded an immediate and exhaustive investigation of both events, but it said that no statements can be issued about possible culprits because such accusations would not help the peace process whatsoever. ARENA also issued an appeal to the Salvadoran people, urging them to remain calm and collected in the face of these acts of violence, and it asked them to let the authorities and judicial agencies handle all the investigations and enforce the law.

At the same time, ARENA asked the Farabundo Marti National Liberation Front (FMLN) to refrain from responding with violence to the murder of two former high-ranking guerrilla leaders, which occurred last week.

"We know these crimes are denounced by the public, particularly recent the attacks that have provoked the anger of the FMLN-CD (Democratic Convergence).

Nevertheless, this should not revive past schemes that have been overcome," ARENA said.

"Violence is part of the terror plot we left behind when the peace accords were signed" says ARENA.

The FMLN yesterday denied any responsibility for the councilman's murder, and it ruled out the use of violence in the wake of the latest attacks on its members. FMLN leader Joaquin Villalobos emphatically denied his organization had any ties with a former guerrilla command that is reportedly threatening to attack businessmen, although he does not rule out the possibility members of the FMLN could participate in it.

Judge Confirms Accused Killer of FMLN Leader Found Dead

PA0611180293 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 5 Nov 93

[Report by Daisy Villalobos from the "Facing the Moment" newscast]

[Text] Judicial sources have confirmed the death of the person who murdered Oscar Grimaldi, a member of the Farabundo Marti National Liberation Front, FMLN, last August.

The person involved was murdered a day after the arrest warrant against him was issued, according Judge Miguel Alfonso Linares, who is in charge of the case. The FMLN reported last Tuesday that the alleged assassin of Grimaldi had been taken from his house and that his dead body was later found in Los Planes de Renderos. Judge Linares confirmed the report.

[Begin recording] [Linares] This individual had been indicted. He was blamed for Grimaldi's murder along with two other persons, whose names I cannot remember right now. The first name of one of them is (Huy), but I cannot remember his last name. He had been indicted. He was not a witness. I think his last name was Gomez, but I am not sure. His arrest had already been ordered. The arrest warrant was issued on 25 October, and his dead body was found on 26 October.

[Unidentified reporter] What are the details surrounding his death?

[Linares] I do not have them because the incident occurred in a place that is far from the Santa Tecla Court. His dead body was found in San Marcos jurisdiction. It is a distant place, and it is now up to another judge to take appropriate steps. [end recording]

According to sources who asked to remain anonymous, the government knew the identity of Grimaldi's assassin since September but did nothing about it. The FMLN and other groups blamed the death squads for the murder of Oscar Grimaldi, but the government insists it was a common crime. The latest reports regarding the case appear to confirm that the FMLN leader was killed in an operation conducted by death squads.

Guatemala

Attorney General Defends U.S. Warning in Drug Case

PA0711153393 Guatemala City Teleonce Television in Spanish 1900 GMT 5 Nov 93

[From the "Telepress" newscast]

[Text] The U.S. Embassy has warned of a possible attempt by international drug traffickers to seek the release of 11 recently captured Colombians. Such an effort, the embassy says, might include attempts to bribe certain Guatemalan Government authorities. Guatemalan Attorney General Telesforo Guerra Cahn denies that the U.S. Embassy's warning constitutes meddling in Guatemala's internal affairs.

[Begin recording] [Guerra] We have already acted on the complaint that was filed. I spoke to our prosecutor in Sacatepequez, Old Guatemala, and asked him to personally investigate whether there are any irregularities in the records which might lead to a conditional release of these individuals. According to existing documents and evidence, they cannot be released. If the rumors turn out to be true, the judge would be responsible, and we would have to take action against him. We cannot have drug traffickers who were previously acquitted of the same charges released again, especially knowing what we know now about their activities. Moreover, they are foreigners residing in Guatemala who are engaged in illegal activities.

[Unidentified reporter] Despite the U.S. Embassy'a meddling in the internal affairs of the country [words indistinct]?

[Guerra] The embassy's complaint cannot be characterized as intervention, because it is a public complaint aimed at alerting the relevant authorities—in this case myself—and at preventing judicial authorities from being subject to pressure, blackmail, or threats by the defendants or any other people associated with them. [end recording]

Deputies Dissolve Self-Purge Parliamentary Group

PA0611130693 Guatemala City SIGLO VEINTIUNO in Spanish 3 Nov 93 p 4

[Text] The Great Parlamentarian Group [GGP]—which at the worst moment of the political crisis, when facing division within Congress, comprised more than 80 deputies from different blocs—was formally dissolved yesterday.

This was confirmed by Deputies Juan Francisco Reyes Lopez (FRG) [Guatemalan Republican Front] and Rene Barrios Samayoa (UCN) [Union of National Center], who said, as of yesterday, each legislative bloc will now be acting independently. Congressman Reyes Lopez only said that, from now on, each bloc and each party will act on its own according to its own decisions.

Meanwhile, Deputy Barrios Samayoa said that the UCN withdrew from the GGP to follow its own path and to make its own decisions as a parlamentarian bloc and as a political party. He added that the FRG bloc started pulling out of the GGP last week by making decisions on its own.

Rene Barrios complained that Reyes Lopez has continued his attacks on the UCN, the DCG [Guatemalan Christian Democracy], and the MAS [Solidarity Action Movement] blocs, which were members of a triple alliance only a few months ago. In this way, according to the UCN member, Deputy Reyes Lopez is again promoting a game of attacks, especially by attempting to attribute 80 percent of the constitutional reforms to the FRG, although all parliamentary blocs indirectly participated in drafting them.

The GGP was formed in early September when the majority of the deputies wanted to selectively purge Congress. To achieve this, they started to meet outside the Legislative Palace and to distance themselves from the "16 purgable deputies," as well as from the DCG bloc, whose members proposed the resignation of all deputies to thoroughly purge Congress.

The members of the GGP, which comprised the PAN [National Vanguard Party], FRG, UCN, MAS, Cambio, FAN [National Advancement Front], PSD [Democratic Socialist Party], MLN [National Liberation Movement], and independent blocs, tried to remove the Congress Directorate headed by the Christian Democrat Jose Fernando Lobo Dubon. The Constitutionality Court, however, supported Lobo, restored the legal status of the directorate, and reversed the dismissal attempt by the GGP members.

De Leon Says Church Proposal Should Include Resignations

PA0611043093 Guatemala City SIGLO VEINTIUNO in Spanish 5 Nov 93 p 3

[Article by Leonel Gutierrez]

[Excerpt] President Ramiro De Leon Carpio has said that the proposal by the Guatemalan Bishops Conference [CEG] must meet the requirements demanded by the people, including a purge and the immediate resignation of the deputies and magistrates.

De Leon said that in principle he welcomes the proposal by the church, which he respects because it is a very prestigious institution. The president added that he also received proposals from other sectors, including the media, suggesting mediation or dialogue.

President De Leon said that mediation is a positive development and he would not overlook it, however, he added that he has not officially received the CEG proposal. It should, however, include resignations in the Legislative and Judicial Branches, he pointed out.

As for the possibility that constitutional reforms would be promoted to neutralize the referendum, De Leon said "I will accept blackmail from no quarter and, if that is what they will seek with reforms, they will fail in their quest. Furthermore, he added, such reforms would by no means meet the needs of the population."

The president said that in the places he has visited the people voiced their desire to cast votes freely. He added that "against all odds the referendum will take place on 28 November, because the people are aware that corruption exists and will not allow those people to remain in place." [passage omitted]

Official Says De Leon Still Supports Plebiscite, Dialogue

PA0511180793 Guatemala City EL GRAFICO in Spanish 4 Nov 93 p 6

[Report by Carlos Garcia Urrea]

[Text] Guatemala City, 4 Nov—Public Relations Secretary Felix Loarca Guzman has said that President Ramiro de Leon Carpio yesterday telephoned him to say preparations for the plebiscite are continuing according to schedule. The event will be held on 28 November in accordance with the announcement by the Supreme Electoral Tribunal [TSE].

Loarca Guzman added: Furthermore, he thinks the TSE has already organized all the districts' electoral boards and is prepared for the plebiscite. Referring to this, the president maintains his position that the plebiscite will be held according to schedule. He is the only one who can suspend the process, but he has decided it will be held.

Moreover, Loarca Guzman explained President De Leon Carpio has visited various municipalities during his tour to deliver 8 percent of the government funds for municipal projects and talk with local residents and community representatives. Loarca Guzman said the president has delivered great civic speeches during his tour to outline various national problems.

The president also has issued an appeal to the people, urging them to cast their ballots during the plebiscite, thereby exercising their right to vote. He added that they should vote whatever way they believe is best. He said these are the circumstances surrounding the plebiscite.

Referring to the Episcopal Conference's mediation and its meeting with various groups, Felix Loarca said President De Leon Carpio accepts with respect and interest the invitation to a dialogue. However, he explained, only preliminary contacts have been established by church leaders, strictly for information purposes.

He added: These contacts have been established on a separate basis with each of the involved parties; no official or formal summonses have been issued. The Episcopal Conference is still preparing the appropriate document. Therefore, the government will wait until the document is officially sent before issuing a statement.

Moreover, Loarca added, President De Leon also told him over the telephone he is prepared to talk with all the groups. He confirmed what he stated on Monday about the deputies' case, meaning he does not rule out the possibility of talking with them. Nevertheless, he said, this will be done if the people agree with the dialogue, and provided it helps find a solution to the country's problems.

Congress President Comments on Negotiations on Reforms

PA0611160193 Guatemala City Teleonce Television in Spanish 1900 GMT 5 Nov 93

[Report on interview with Congress President Fernando Lobo Dubon by an unidentified reporter on 5 November; place not given; from the "Telepress" newscast—recorded]

[Text] [Lobo Dubon] Congress had planned to review the constitutional reforms on 3 and 4 November, but we decided to suspend the debates as a gesture of goodwill and to show our desire to participate in a dialogue with the executive branch. One of the ideas is to transform this popular consultation into a referendum to permit the reform of the three government branches through constitutional amendments. Because no agreement has been reached along these lines, the president is maintaining his position with regard to the referendum. I believe, however, that the situation could change if we reach an agreement.

[Reporter] As Congress president, could you meet with the [word indistinct] deputies taking into consideration that they have announced their official position in favor of constitutional amendments and promoting a boycott of the referendum?

[Lobo Dubon] I am heading to Congress right now. I meet with congressmen every day to review the situation and to discuss the latest developments. The problem is that there is some uncertainty, which produces confusion and nervousness. We believe this is natural in any negotiations process. There are times when negotiations stop and each side reviews the situation to present proposals. I am optimistic and hope that by next Monday we can reach specific agreements with the Executive Branch.

[Reporter] Is it legal to transform the popular consultation into a referendum, or [words indistinct]?

[Lobo Dubon] The legal methods for the transformation must be based on law. The concept and ideas proposed are designed to transform the popular consultation or to replace it with a referendum that will make a purge of the three government branches possible. Legal mechanisms would have to be found to permit a one-for-one substitution, to make changes, or to present constitutional reforms for the two government branches. There are a number of possibilities, but the basic concept would be replacing one idea with the other.

[Reporter] We understand that the Episcopal Conference will issue a statement within the next few hours. Do you have any information on this?

[Lobo Dubon] We know that a statement will be issued, but we have no idea of its contents.

Herbruger Terms Deputies' Ultimatum 'Political Error'

PA0711023793 Guatemala City PRENSA LIBRE in Spanish 5 Nov 93 p 2

[Text] Vice President Arturo Herbruger yesterday termed the 72-hour ultimatum Congressional deputies gave President Ramiro De Leon Carpio to stop the popular consultation a "serious political error."

The official made the aforementioned statements last night at a ceremony at the Nunciature marking the 15th anniversary of Pope John Paul II's reign. Several congressmen and ministers of state also attended the ceremony.

Herbruger declared that "Congress cannot issue ultimatums or order President De Leon Carpio to stop the consultation, which is a response to a popular outcry."

In addition, he said he believes the consultation process will not be suspended because it has made significant progress and the president is ready to finalize the process.

When asked if De Leon Carpio has held any meetings with congressmen, the vice president said: "Well, I know that Ramiro has talked to some deputies, but I do not know what points have been discussed."

Bishops Conference Not To Mediate Negotiations

Monsignor Gerardo Flores Reyes, president of the Bishops Conference of Guatemala (CEG), yesterday stated clearly that the CEG will not act as mediator in negotiations between the president and deputies. Monsignor Reyes did say, however, that the CEG has had a calming effect on both sides.

He added that today at the latest the CEG will report the mechanisms that will govern the beginning of negotiations between the president and legislators. Our objective, he said, is to dampen the fire so it will stop spreading.

Enriquez: Army Will Support the President

Defense Minister Mario Enriquez said the armed institution favors a rapid solution to this period of political uncertainty to end the disorder initiated on 25 May.

He did say, however, that either the popular consultation or political negotiations can lead us to a solution without breaking constitutional mechanisms.

During the meeting, Vice President Herbruger, who rejected the attitude of deputies, did not have any contact with lawmakers.

Nicaragua

Daniel Ortega on Constitutional Reforms, Sandinist Assembly

PA0511151093 Managua BARRICADA in Spanish 2 Nov 93 p 4

[Text] Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], stated last night that there cannot be a critical time limit in carrying out constitutional reforms. He insisted on an agenda to discuss the economic issue in light of an imminent agreement with the World Bank and the International Monetary Fund.

The Sandinist leader indicated that during mid-November the government is preparing to sign a three-year agreement, which really represents a critical time limit, adding that political forces must motivate and encourage an economic reactivation.

Ortega said the adjustment program the government is preparing to discuss with the financial organizations was discussed by the Sandinist Assembly this past Sunday, along with the UDC [Christian Democratic Union] proposal aimed at reforming the Constitution and the agreements on the same topic adopted by the UNO [National Opposition Union] Political Council.

In commenting the conditions demanded by the UNO Political Council to support the UDC initiative, Ortega said that, by proposing the recovery of a majority in congress, "UNO is not considering what the shifting of political forces in a democratic contest really entails." Likewise, he stated that reforms to the Constitution can begin to be discussed during the current year in order for them to be implemented in 1994, or that discussions could begin in 1994 and end in 1995.

Ortega insisted that the FSLN is ready to engage in a dialogue with UNO "without conditions," while he recalled it was the UNO coalition which broke off the dialogue with the FSLN.

Ortega also made reference to the debate held at the Sandinist Assembly on the privatization issue—a debate held within the context of a broader debate on the constitutional reforms.

Although this is a consensus on the new forms of property, a "deep and very meaningful" debate took place on privatization of public services. Ortega noted that the privatization debate included talks on the Nicaraguan Aqueducts and Sewage Institution, the Nicaraguan Institute of Energy, and the Nicaraguan Telecommunications and Postal Services Institute.

The debate centered on those mechanisms that should prevail for public services to be granted as concessions to private companies. Necessary state controls also were discussed.

The Sandinist leader stressed a consensus exists on fundamental aspects of the administration of public services and their control by the state as outlined in the positions presented by the FNT [National Workers Front] and the Sandinist Youth.

The Sandinist Assembly will meet again to continue discussing the issue on 9 November.

Daniel Ortega Opposes Constitutional Reform at Assembly

PA0711011493 Managua LA PRENSA in Spanish 4 Nov 94 pp 1,4

[Report by Ariel Montoya]

[Text] The ongoing controversy between FSLN [Sandinist National Liberation Front] Secretary General Daniel Ortega, who is opposed to constitutional reforms that include barring presidential reelection, and Dr. Sergio Ramirez Mercado, head of the Sandinist bloc, who showed up to work this morning as usual, erupted publicly today when Ortega arrived at the National Assembly.

Ortega showed up at the National Assembly yesterday afternoon, allegedly to reproach Dr. Ramirez about the public service privatization bill proposal presented before the Assembly by the Sandinist bloc.

Everything started when Ortega's anger erupted. The FSLN secretary general is opposed to the aforementioned bill proposal to privatize several state institutions such as the Nicaraguan Telecommunications and Postal Service Institute, the Nicaraguan Institute of Energy, the Nicaraguan Aqueducts and Sewage Institute, ports, and other services. According to the Sandinist deputies, the privatization of these institutions is necessary, but the process must first be subjected to the provisions that the National Assembly deems appropriate.

The first paragraph of a Sandinist bloc press communique issued yesterday states: "In the absence of constitutional norms regulating privatization, the Sandinist bloc, through its deputies William Ramirez and Mauricio Valenzuela, has presented a bill proposal to prevent public service enterprises from being privatized by the government without any type of supervision or regulations."

Ortega opposes the bill, claiming that it would result in the privatization of too many businesses in a Sandinist sector headed by unionist Deputy Dmaso Vargas, who follows Ortega's line.

While Ortega was at the National Assembly building, a socialist deputy told LA PRENSA that Damaso Vargas controls several businesses that allow him to handle funds up to $100,000.

The same source disclosed that "some time ago Damaso invited some businessmen to invest capital that would allow them to become partners and said that was the reason why he had $100,000 available at any given time."

The polemics that have existed over the past few months within the Sandinist ranks over properties that certain sectors claimed for themselves began to take on a new twist that has created differences among Sandinist deputies. According to political analysts, this issues places in opposition the deputies who have a more cosmopolitan and democratic vision in keeping with the new circumstance, and the genuine labor groups that are clinging to the positions of radical Sandinism and of Daniel Ortega in particular.

Ortega's arrival at the National Assembly underlined a bitter struggle that has been taking shape for some time. A Sandinist deputy said it was "appropriate" for Ortega to try to occupy the seat to which he is entitled as former president of the Republic. The same deputy, however, also indicated that the "violent" manner in which he tried to do it yesterday afternoon was "inappropriate."

National Assembly internal regulations state that any deputy may reoccupy his seat provided that, if the seat has been ceded to another deputy, written notice must be forwarded to the board of directors 72 hours prior to reclaiming the aforementioned seat.

A Sandinist deputy who asked to remain anonymous pointed out that Ortega can come to the National Assembly hall and occupy his seat "just like any other deputy," since the Sandinist bloc would not be willing to allow him to impose his decisions. The deputy also indicated that should Ortega attempt to do this, "the bloc would immediately appoint a new head.

Upon his arrival at the National Assembly during the second session of the ninth legislature, Ortega met with Deputy Dora Maria Tellez, who later announced that Ramirez would attend legislative working sessions today, which he did.

Assemblymen from the Sandinist, National Opposition Union, Center Bloc, and Reconciliation [as published] factions have expressed views to the effect that the intentions of Ortega supporters are not to reject the privatization bill or to occupy a seat in the Assembly but to reject the constitutional reforms, because they preclude the reelection of a president and, if passed, would deny former President Daniel Ortega the possibility of running for the presidency once again.

Daniel Ortega Rallies Citizens Against Privatization

PA0711011693 Managua Canal Cuatro Television in Spanish 0300 GMT 5 Nov 93

[From the "Extravision" newscast]

[Text] The residents of Francisco Morazan community today commemorated the 26th anniversary of the death of the 4 November martyrs. Gladys Baez [member of the Front for the People's Struggle] and Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], were present. Commander Ortega encouraged the Nicaraguan people to fight the privatization of public utility services.

[Begin Ortega recording] Who wants privatization? [crowd shouts: No one!] Who wants privatization? [crowd shouts: No one!]

If that is true, we must fight, we must demonstrate, and we must protest to prevent the privatization of basic public utilities and further suffering for the Nicaraguan people. That is why all Nicaraguans must come together, regardless of political or ideological differences. We must all unite to pull Nicaragua out of its hunger, unemployment, poverty, and privatization. Long live the heroes and martyrs! [crowd shouts: Viva!] [end recording]

Ortega made this comment to reporters:

[Begin Ortega recording] The law must be discussed by the appropriate commission. I understand the regulation or proposal or draft law—because it is not a law yet—must first be discussed by the commission. [end recording]

Army Says Humberto Ortega's Retirement Conditional Upon Amnesty

PA0611224793 Panama City ACAN in Spanish 1704 GMT 6 Nov 93

[Excerpt] Managua, 6 Nov (ACAN-EFE)—The Nicaraguan Army has made the separation of General Humberto Ortega conditional upon the approval of an amnesty relieving all Armed Forces members accused of human rights violations of any legal responsibility, the newspaper LA TRIBUNA reported today, citing an anonymous military source.

The military source told the local daily that an amnesty law "would be a guarantee for Gen. Ortega or any other high-ranking military officer who retires (from the Armed Forces) that they will not be subject to a legal process as political revenge."

Nicaraguan President Violeta de Chamorro announced in September that Gen. Ortega will leave his post as commander in chief of the Sandinist People's Army (EPS) next year.

According to the source, should the amnesty proposal be accepted, it will "cover" all the officers in the EPS Staff as well as regional military officers.

The Army neither confirmed nor denied the local reports, as its spokesmen could not be reached at their offices. [passage omitted]

Retired EPS Officers Attempt To 'Kidnap' Managua Mayor

PA0511231793 Managua Radio Corporacion in Spanish 2200 GMT 5 Nov 93

[From the "Five O'Clock Sharp" newscast]

[Text] A group of retired Sandinist People's Army [EPS] officers headed by retired Major Donald Mendoza, known as Cara de Pina, tried to kidnap Managua Mayor Dr. Arnoldo Aleman as he presided over a municipal council session on Friday morning, 5 November.

Sandinist mobs, which showed up at the Managua Mayor's Office auditorium disguised as Oriental Market merchants to protest tax collection measures, supported the action. These merchants, however, do not pay taxes because they have declared themselves in a state of rebellion.

The session began at 0900. That is when the four Sandinist councilmen arrived to begin work. Councilmen Monica Baltodano, Carlos Carrion, and Javier Alvarez arrived in a pickup truck. Eight men, who were escorting the Sandinist councilmen, arrived in a white pickup truck in front of them. These eight men entered the auditorium and sat in the back. It was later discovered that they were retired EPS soldiers. It is believed that the former military officers would come into action at the time of the kidnapping. They were constantly talking to Councilwoman Monica Baltodano. A half hour after the sessions began, some 30 Oriental market merchants, who are Sandinist supporters, tried to enter the auditorium by force but were unable to do so because the police prevented them.

Later on, Donald Mendoza, heading a group of some 10 retired EPS officers, showed up carrying rocket launchers. They tried to enter the auditorium by force. The presence of thousands of local residents, municipal workers, and the police, including riot police, prevented the assault from taking place.

Mayor Arnoldo Aleman was presiding over the Municipal Council sessions to discuss the 1994 municipal budget. As a result of the actions, the mayor suspended the session but not before approving an agreement rejecting the intentions of Comptroller General Jose Zapata to conduct an audit of the Mayor's Office. The rejection is based on the fact that the comptroller has not been appointed by the Legislative Assembly as established in the Constitution. The councilmen also agreed to appoint a commission to investigate the whereabouts of $13.5 million, which the Sandinist administration received at the Mayor's Office but was never recorded in the accounting books.

There are threats to occupy the Managua Mayor's Office by force so as to allow Comptroller General Zapata to conduct the audit, something the municipal council employees and Managua residents are opposed to because it is a political action aimed at dismissing Mayor Arnoldo Aleman. The action is supported by a group of UNO [National Opposition Union] councilmen.

Maj. Mendoza is a well-known terrorist. In late August 1993 he kidnapped the UNO Political Council. It is believed that the purpose of the Sandinist plot was basically to kidnap the mayor and councilmen, who support Aleman. Residents of the capital and municipal workers will remain on permanent alert to prevent an assault on the Managua Mayor's Office building.

FSLN Communique Defends Privatization Bill

PA0711140993 Managua EL NUEVO DIARIO in Spanish 4 Nov 93 pp 1, 8

[Text] A slightly perceptible crisis occurred yesterday within the Sandinist legislative wing at the National Assembly.

According to EL NUEVO DIARIO findings, Commander Daniel Ortega telephoned Dr. Sergio Ramirez, ordering him to withdraw the Privatization Bill the Sandinist legislative wing introduced a few weeks ago from the parliamentary agenda.

Dr. Sergio Ramirez told the FSLN [Sandinist National Liberation Front] secretary general that, at a meeting held at noon yesterday, the Sandinist legislative wing nearly unanimously decided that the bill should be maintained and handed over to a commission.

According to our source, Commander Ortega informed Dr. Ramirez that he would immediately occupy his legislative seat at the National Assembly. Dr. Ramirez is the alternate deputy to Ortega, but the latter has delegated his seat to Ramirez.

History of the Conflict

As everyone knows, since its installation, the current government has been privatizing or selling state assets in disorderly fashion without any legal framework or provisions. The workers who did not defend the People's Ownership Sector accommodated themselves by receiving percentages of the privatizations in the form of stock, creating what is now known as the Workers' Ownership Sector.

When the government announced privatizations in the public sector, and, in the face of the constitutional vacuum that does not prohibit such privatizations, the Sandinist legislative wing deemed it appropriate to introduce an emergency bill which would at least force the executive branch to carry out privatizations through the presentation of a draft bill before the assembly. This would permit public debate on the privatizations and would allow workers to organize protests against the privatizations.

After several meetings, the National Workers Front [FNT] and the Sandinist legislative wing agreed that this bill, signed by Deputies William Ramirez and Mauricio Valenzuela, be approved and later modified by the Evaluating Commission based on the recommendations presented by the FNT.

Inexplicable Attacks

In light of this agreement, the attacks against the Sandinist legislative wing by FNT leaders and Radio Ya, which featured the usual language of its director Carlos Guadamuz, came as a surprise. These attacks, particularly the ones on the radio which were considered vulgar, focused on saying that the Sandinist deputies were passing a bill that facilitated privatizations and adversely affected the rights of the people.

Faced with these attacks, the Sandinist legislative wing met between 1300 and 1500 yesterday and analyzed the situation. The deputies contended that FNT leaders had acted under false premises, showing no loyalty to the agreements that had been reached.

The Sandinist legislative wing unanimously decided that they (the deputies) represent the overall interests of the people, including users of public services and not only workers organizations. Therefore, they argued that it was urgent to maintain this bill to force the government to submit to the National Assembly a draft bill for each privatization it wished to undertake, given the constitutional vacuum.

Commander Ortega's call to Dr. Ramirez and what we have outlined above occurred within this context. Meanwhile, yesterday afternoon the Sandinist legislative wing circulated the following communique:

Communique

1. Given the lack of constitutional regulation on privatization, the Sandinist legislative wing has presented before the National Assembly, through its deputies Commanders William Ramirez and Mauricio Valenzuela, a draft bill designed to prevent the way in which the government continues to privatize public service enterprises without control or regulation. In this regard, our bill establishes that every time the government wants to privatize a public service company or grant a concession on the exploitation of said services, it must present before the National Assembly a specific draft bill explaining the privatization and detailing the same. It will be up to the National Assembly in each case to decide whether or not a public service company can be privatized.

2. Upon introducing this draft bill, the Sandinist legislative wing fulfills faithfully the provisions of Paragraph G, Point 3 of the document approved by the Sandinist Assembly on 10 October 1993 entitled "Objectives of the Constitutional Reform for the FSLN," which reads: "To establish that the direction, planning, and control of public services represents an inalienable duty of the State. Concessions to individuals must be ratified by law in each case, and concession-holders must subordinate themselves to state control, with due guarantees against discrimination."

3. Likewise, the Sandinist legislative wing supports the lines from that same document approved by the Sandinist Assembly, which in Paragraph H, Point C reads:

"To affirm the state's inevitable responsibility to provide education, health, and social security—none of which can be privatized—and well as to protect children and the family."

4. If a bill similar to the one proposed by the Sandinist legislative wing is not discussed, approved, and promulgated immediately, the privatization process of companies such as Telcor [Nicaraguan Telecommunications and Postal Services Institute], INE [Nicaraguan Institute of Energy], INAA [Nicaraguan Aqueducts and Sewage Institute], ports, etc. will be subject to the government's whims without any legal framework. The same thing will happen to health, education, and social security services. Therefore, we believe that the Sandinist legislative wing would be showing a great deal of irresponsibility and demagoguery in the face of national and popular interests if it fails to do what it is rightly doing. The worst and most damaging solution would be to leave the privatization of public services outside the auspices of the law.

As deputies elected by the people, we must legislate in favor of the national interests, including the defense of state assets, as well as in favor of popular interests, including the protection of public services users.

Approved by the plenum of the Sandinist legislative wing in the city of Managua on 3 November 1993

FSLN Legislative Wing Before the National Assembly

Editor's Note: As we went to press, the Sandinist legislative wing was still meeting to review this situation.

FSLN Assembly Communique on Constitution, Privatization

PA0611031593 Managua Canal Cuatro Television Network in Spanish 0300 GMT 5 Nov 93

[Report on communique issued by the Sandinist National Liberation Front General Assembly in Managua on 4 November; from the "Extravision" newscast]

[Text] Today, 13 members of the Sandinist National Liberation Front [FSLN] General Assembly have called on the Sandinist legislative faction to act with political prudence to prevent affecting FSLN unity. In a communique issued this afternoon the Sandinist Assembly members addressed the debates at the National Assembly on constitutional reform and privatization. Regarding the latter, they said that no consensus has been reached yet.

The communique goes on to state: In light of the above, the undersigned members of the Sandinist Assembly call on our Sandinist comrades at the National Assembly to act with political prudence and refrain from making decisions that might contradict those of the Sandinist Assembly, so as not to affect FSLN unity.

The document is signed by Juan Elias Chevez, Mario Noguera, Gustavo Alegria, Alfonso Silva, Henry Petri, Monica Baltodano, Emmett Lang, Mario Quintana, Gustavo Porras, Felix Contreras, Rocio Jimenez, Lily Soto, Dionisio Marenco, Victor Hugo Tinoco, and (Lourdes Ciro).

National Workers Front Opposes FSLN Privatization Bill

PA0711012393 Managua BARRICADA in Spanish 5 Nov 93 p 12

[Text] Lucio Jimenez, leader of the National Workers Front (FNT), yesterday described as "unfortunate" the Sandinist deputies' decision to submit a bill establishing a legal framework for the privatization process currently being implemented by the government.

Even though Jimenez said the existing differences between both Sandinist groups will not create any divisions within the Sandinist National Liberation Front [FSLN], Jimenez warned that the deputies who signed the bill, which was sent to a National Assembly commission, "will have to account for their actions before the FSLN Assembly for violating the agreement that had been signed not to present the bill until a consensus was reached."

Jimenez, Damaso Vargas, and Nathan Sevilla—the last two being the only FSLN deputies who voted against the bill—reiterated their decision to submit another privatization bill to the National Assembly, the main content of which will reportedly be the total rejection of the sale, transfer, or taxation [gravamen] of any state enterprise or institution that provides public services.

The FNT did not attend a meeting with the Sandinist deputies that had been scheduled for yesterday during which the two draft bills—the one submitted yesterday and the one being drafted by the labor leaders— would be discussed, according to Lucio Jimenez.

Jimenez said the decision made by the Sandinist deputies to submit the bill showed their "lack of team spirit" and said they decided not to attend the meeting for this reason because if they had already submitted the bill "there was nothing else to discuss."

"Lack of Team Spirit"

Privatization, even when regulated by law, "has had and will continue to have very negative consequences for the working class," especially when it comes to employment, Jimenez told BARRICADA.

Private investors who are buying state enterprises "want the keys in their hands," that is, without workers, so they can hire their own personnel and impose a totally repressive regimen, just as has happened at the Industrial Free Zone and at the San Antonio Sugar Mill, the FNT leader said.

Finally, Jimenez flatly denied that the labor organization had anything to do with the death threats received by Sandinist Deputy Mauricio Valenzuela yesterday. "That is not, has never been, and will never be our style," Lucio Jimenez said.

Sandinist Group Supports Christian Democratic Proposal

PA0611234893 Managua LA PRENSA in Spanish 2 Nov 93 p 8

[Statement issued by the Coordinating Commission of Sandinists in Favor of a National Project; place and date given]

[Text] In February 1992, the Sandinists in Favor of a National Project presented to the nation a set of precepts and recommendations for a National Project. Today those precepts and recommendations are more current than ever. We extracted the following quote from that document, which must now be reviewed in order to contribute to a national understanding:

"For the first time in its history, Nicaragua has attained the real possibility of organizing itself into a modern, pluralistic society; one in which the inevitable conflicts and natural contradictions can be resolved through peaceful and legal means; a society in which, for the first time, destroying the adversary will not be the norm, and a sense of socioeconomic equality and unrestricted respect for individual rights will be the framework for coexistence among all Nicaraguans."

In light of recent political events, our document remains the best instruments for shutting the door on an isolating past and opening it to a Nicaragua with a future based on a true de jure state with social justice. This is difficult, but not impossible.

It is difficult because the Nicaraguan people have been suffering the consequences of political mistakes made in the course of unwise conduct by party leaders and in the emergence of "groups" with purely selfish objectives, far removed from the interests of society. It is also difficult because the creation of such a National Project must necessarily pass "through the hands" of the current political protagonists—the government, the Sandinist National Liberation Front [FSLN] and the National Opposition Union [UNO]—whose leaders consistently have been unable to negotiate political positions that could truly contribute to building a national understanding.

A hopeful and mature position is outlined in the "Proposal for a National Agreement of Governability," which was presented by the Christian Democratic Union [UDC]. The UDC's proposal is an initiative that we, the democratic Sandinists, support and respect as a contribution that seeks to remove obstacles and end excuses. It is a proposal which, because of its political nature, will generate discussion, but it can also provide an opportunity to lay the foundations on which a national consensus of governability can be achieved.

We also hope that the latest agreement by the UNO Political Council does not constitute an inflexible position that will distort the UDC's "Proposal for a National Agreement of Governability."

We the Sandinists in Favor of a National Project urge the UDC to maintain its determination to attain peace. A National Project is possible because it represents the best option for placing national interest above private interests and for obtaining a workable solution among Nicaraguans without foreign intervention. We also believe it is possible because it is a project that answers to all without exception and offers solutions; that is, it adds up, it does not subtract. This National Project would have the support of the international community and would truly lay real foundations for a national reconciliation.

The attainment of such goals is possible if the foundations rest on the following: 1. Recognizing that a National Project implies the participation and support of all political parties; 2. Taking, without exclusion, the "national reconciliation policy" as the common point for a national understanding; 3. Agreeing to reform the Constitution for the benefit of all Nicaraguans; 4. Working out a long-term economic and social consensus that will constitute the strategic framework for national development during at least two presidential periods; 5. Establishing an agreed upon national cabinet that represents the political forces and which will share responsibility for the management of a strategic framework for national development, which will bring peace and governability to the country.

We urge the entire nation, particularly the FSLN, its leadership, and its rank and file, to adopt and promote this objective. We also urge political parties both in and outside UNO to show that they are interested in Nicaragua by joining this initiative. We urge the government to promote and facilitate this objective with all the means at its disposal. We urge unions, churches, intellectuals, professionals, and the media to join this crusade to create the proper atmosphere and exclude extremist and confrontational positions. Thus we would be sowing the seeds of a democratic Nicaragua.

Coordinating Commission of Sandinists in Favor of a National Project

Francisco de Asis Fernandez

Oscar Tellez

Raul Venerio

Julio Lopez Miranda

Carlos Molina

Alfredo Alaniz

Augusto Montealegre

Antenor Ferrey

Gloria Gabuardi

Orlando Castillo

Panama

Foreign Minister Explains Position on UN Vote on Cuba

PA0511143593 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Nov 93 p 32

[Report by Carmen Elida Contreras]

[Text] Panamanian Foreign Minister Jose Raul Mulino yesterday said that Panama's abstention in a UN vote approving a resolution asking the United States to lift the embargo imposed on Cuba is consistent "with Panama's policy at international forums of supporting the democratic representative system." Mulino said Panama does not endorse the UN resolution but respects it. "We do not think the problem of Cuba can be resolved by simply lifting the embargo," he added. He favored a dialogue among all Cuban sectors to find "a peaceful, orderly solution to restore the democratic government system on the island," as suggested by the Central American presidents at the Guatemala Summit last week.

Efforts were made several times to pass the UN resolution before it was approved by the General Assembly on 3 November on a vote of 88 in favor, 4 opposed, and 57 abstentions. The resolution reaffirms the principles of sovereign equality of the states, nonintervention and noninterference in Cuba's internal affairs, and Cuba's freedom for international commerce and navigation.

Mulino noted, however, that the decision is not "a victory for communism," because many of the countries that endorsed the resolution do not have this type of regime. "These countries think that, if the embargo is lifted, the Cuban Government might demonstrate a democratic opening that could help resolve the conflict," he said.

Finally, he said Latin American nations and other countries are seeking to reincorporate Cuba into international organizations, such as OAS, of which Cuba is not a member.

Comptroller Supports U.S. Bases in Exchange for Benefits

PA0511151193 Panama City Telemetro Television Network in Spanish 2300 GMT 4 Nov 93

[Report by Julia Elena Alvear from the "Telemetro Reports" newscast]

[Text] The continued presence of U.S. military bases in Panama may be negotiated in exchange for economic benefits, lower commercial taxes, or sugar quotas for our country, according to Comptroller General Ruben Dario Carles.

Government officials maintain a variety of opinions regarding the withdrawal of the U.S. Armed Forces. The idea of renegotiating a treaty whereby the bases would remain has been dismissed, but the possibility of signing a concession and trade exchange agreement that would not require any cash payments has emerged. The proposal was set forth by Comptroller Carles, who has examined the economic impact the withdrawal of U.S. military troops would have on Panama. He believes the country's economic growth will decline.

[Begin Carles recording] We must tell the Americans we can reach an agreement and be on an equal footing with them. We will grant them permission to maintain two or three military installations that already exist, but they will not pay for them in cash because the government would spend those dollars. Government employees might ask for a pay raise on the premise that it can be paid with the money paid by the gringos. [end recording]

In accordance with the Torrijos-Carter treaties, in 1995 U.S. Forces in Panama will decrease from 10,000 troops to 6,000, and, by the year 2000, all U.S. troops will be gone. The Panamanian Government recently asked the U.S. Government to slow down its military withdrawal in view of the negative impact it will have on the country. A considerable number of Panamanians work on the bases, and the U.S. military population generates many benefits.

In Comptroller Carles' opinion, the word nationalism has undergone many changes and the military base issue demands an economic negotiation.

[Begin Carles recording] I do not want to talk about nationalism. The world is changing and current political concepts are different from those of the past. We are going to negotiate with the United States to gain economic benefits. The United States imposes taxes on other countries for selling their products in the United States, but Panama would not pay certain taxes because we would be giving the United States permission to maintain military bases in Panama. [end recording]

Columnist Considers Renegotiation of U.S. Bases

PA0811000593 Panama City EL SIGLO in Spanish 6 Nov 93 p 6

["Morning Comments" column by Carlos Rangel: "Bases or 'Yankee Go Home'"]

[Text] Observing how the patriotic festivities were celebrated and the alcoholic euphoria with which the masses tried to drown their daily problems in a public celebration, we cannot help but think of the mortal anguish that must have enveloped our forefathers when the results of the secessionist conspiracy, which led to the isthmus' independence, were still unknown.

Some chauvinists have tried to blame the men of 3 November 1903, who were faced with the dilemma of whether to have a fatherland, for deciding stoically to accept in principle the perpetuity clause negotiated by Bunau-Varilla in his meetings with Secretary Hay. That was a "life or death" decision that cannot be assessed at a distance when the terrible consequences of failure are not apparent.

After a generational struggle, Omar Torrijos Herrera set a "expiration date" for the treaty, which violated all principles of international equality. He decided on the year 2000 as the term for the jurisdictional concessions in the Canal Zone. What remains to be seen, however, is whether the Panamanian people, making use of their inalienable rights of sovereignty, can negotiate with the United States a new term for the bases that would not hurt nationalist feelings.

Base negotiations have not been to the detriment of European countries such as Great Britain, Italy, Greece, Spain, and others, because granting permission to a foreign power in national territory cannot be harmful if those concessions respond to mutual interests. Under acceptable conditions, foreign bases can represent a source of income for some and a source of understanding and comprehension for both.

The expression "Yankee Go Home" was the slogan of the enemies of democracy who, spurred by the USSR, sought to pit the people of poor countries against the United States, to capitalize on the hunger of the affected countries.

Panama, without current threats to its sovereignty and in the free exercise of its democratic liberties, can very well choose, through a plebiscite, whether to agree to renegotiate the bases or to repeat the worn war cry of the defunct Soviet Union. Today, without the Cold War and without vested mediators such as the French adventurers, the issue of sovereignty no longer constitutes the terrible predicament that it did back in 1903.

Comptroller Resigns, Evades Questions Regarding Motives

PA0511212593 Panama City Telemetro Television Network in Spanish 1730 GMT 5 Nov 93

[Report by Myrna Ortega; from the "Telemetro Reports" newscast]

[Text] Comptroller General Ruben Dario Carles has formalized his resignation before the Legislative Assembly. Evasive as usual, the now former chief of public finances does not know if his party will grant him its presidential nomination. Meanwhile, Arnulfist Party member Antonio Dominguez has denied his party will agree to negotiate.

[Begin recording] [Carles] I am presenting to the Legislative Assembly a document in which I express my decision to resign from the post with which I was honored. [end recording]

Carles' possible resignation had been a key topic among political circles for the past several weeks. It had become a compulsory topic. However, simple rumors became a reality when the former comptroller announced his resignation, although he still denies his resignation is politically motivated. Carles was approached by several unidentified reporters.

[Begin recording] [Reporter] Mr. Comptroller, would you accept a Molirena [Nationalist Liberal Republican Movement] nomination if the party decides to make you its candidate?

[Carles] That is a problem that must be resolved by the political parties.

[Reporter] You aspire to that, don't you?

[Carles] I must go through stages. This is how I work and how I have done my duty and it is what I am doing now.

[Reporter] Will you accept if you are nominated?

[Carles] That is for the politicians to decide.

[Reporter] Mr. Comptroller, do you believe the Arnulfist's, and Mireya Gruber specifically, will agree to have you head the alliance?

[Carles] I do not know. [end recording]

Carles formally resigned before the Legislative Assembly after meeting yesterday with President Guillermo Endara. On 8 November the Legislative plenum must decide what will be done with the comptroller general position.

National Assembly Secretary Ruben Arosemena commented on the subject.

[Begin Arosemena recording] The irrevocable resignation will be placed on the 8 November agenda under the heading of correspondence, and copies will be sent to the Credentials Commission. After that the Legislative Assembly will establish a period for nominations, during which any legislator will be able to present candidates, appoint the current assistant comptroller to the post, or consider new names. Meanwhile, the assistant comptroller will be the acting comptroller general of the republic. [end recording]

Meanwhile, Arnulfist Antonio Dominguez, who on several occasions has been at odds with the comptroller, pointed out that his party should not negotiate the top position on the ticket.

[Begin Dominguez recording] I have said it before and I will say it again: The day Mireya Gruber ceases to be the presidential candidate, Antonio Dominguez will pick up his political tools and go and live on his farm, which is what he has wanted to do all his life. [end recording]

Acting Comptroller General Issues Communique on Policies

PA0611233193 Panama City CRITICA LIBRE in Spanish 6 Nov 93 p 26

[Communique issued by Acting Comptroller General Jose Chen Barria on 5 November; place not given]

[Text]

Communique to the Country

As a result of Comptroller General Ruben Carles' resignation, the Legislative Assembly must appoint the citizen who will replace him in that post.

According to the law, we must assume the functions of Acting Comptroller General of the Republic until the Legislative Assembly appoints the new comptroller.

During this period, we must state to the national community the policies that will guide us to establish clearly and unequivocally the goals sought by our actions:

1. To abide by the National Constitution, as well as the laws of the Republic.

2. To orient the comptrollership's actions to serve the community, meaning that funds managed by the government and owned by the citizens must be used for projects and services that benefit the communities and the country's human development.

3. To continue the fiscal regulation policy to strengthen our democracy, which involves a balanced budget and preventing the National Government from incurring expenses that exceed its revenues.

4. To fight corruption of all forms and manifestations and at every level.

5. To see that state funds and resources are not used for any party's political proselytism during the political campaign.

6. To manage the Comptrollership General of the Republic so it functions as an institution in a professional, efficient, and apolitical way.

7. To maintain close and cordial relations with all state agencies and organizations, as well as with different groups, labor unions, associations, and organizations that make up our nation. (signed) F. Chen Barria

'Top Secret' Report Reveals Organized Crime, Drug Network

PA0711193093 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Nov 93 p A1

[Report by James Aparicio]

[Text] LA ESTRELLA DE PANAMA has gained access to a top secret report, according to which at least 12 prominent people—including attorneys, former government officials, former military men, progovernment politicians, government employees, and businessmen—are involved in an organized crime and drug-trafficking network in Bocas del Toro Province.

The document, which was prepared three weeks ago, states that in Bocas del Toro "there is a well-organized network for the nationwide and global distribution of drugs, and it simultaneously operates as an organized crime network."

For the past several years, recently fired Chiriqui and Bocas del Toro District Attorneys Emilio de Leon and Luis Nestor Esquivel had been investigating the alleged connections between drug trafficking and policemen, Judicial Technical Police agents, customs employees, and ranking members of the cogoverning Molirena [Nationalist Liberal Republican Movement].

Following the antidrug "Cantera" and "VHS" operations, some 56 alleged drug traffickers were arrested and eight others became fugitives of the law. The mission of the organized crime network is to control the local drug market; smuggle cocaine into the United States, Germany, Costa Rica, and Jamaica; and "infiltrate government institutions through a well-organized corruption network." Drugs sent all the way to Almirante are transferred from Turbo, Colombia, through the Colon Free Zone.

According to the report, drug traffickers infiltrated the Regional Customs Directorate and created transportation and security systems to export drugs. The Almirante Duty-Free Zone also was used to export drugs via stores, tourist resorts, and port facilities in Changuinola.

Within legal circles it has been disclosed that on Monday former District Attorney de Leon, who is also a member of Molirena, may announce the existence of an organized crime network that protects drug traffickers, which is allegedly the reason why he was fired.

'Cover-Up' Seen

PA0711171493 Panama City LA PRENSA in Spanish 7 Nov 93 p 1A

[Report by Orlando Mendieta]

[Text] Legislator Guillermo Cochez has said Joaquin Fernando Franco is leading a conspiracy in the Attorney General's Office to sponsor corruption within the organization and to cover up drug-trafficking activities. He also revealed the DEA has information that indicates two legislators met with Anel Ramirez at the Gaviota Building, where drug-trafficking operations were coordinated.

According to Cochez, to fully understand the Anel Ramirez case, it must be viewed within the context of the Attorney General's Office, where efforts are being exerted "for a cover up." The legislator said: "What we have is complicity, as reported by Camilo Brenes. Jorge Ramon Valdes was appointed to the Attorney General's Office to cover up everything that is important and, above all else, everything dealing with drugs."

The Christian Democratic Party [PDC] deputy believes this is why a series of appointments are now being made within the Attorney General's Office—appointments criticized by the public—including First District Attorney Pablo Huete and new Narcotics Secretary Milciades Mendez.

"There is a conspiracy behind all of this, plotted by Joaquin Fernando Franco, the man who controls Jorge Ramon Valdes and has been his boss and partner for 30 years," Cochez said.

Referring to the drug-trafficking issue, Cochez said he learned about a report in which U.S. Ambassador Deane Hinton expressed concern to President Endara because approximately 150 people arrested on drug trafficking charges between 1992 and 1993 have been released. The PDC legislator criticized the situation, and he asserted Rogelio Cruz cannot be blamed for this because he is no longer in charge of the office.

Cochez also criticized the U.S. authorities' involvement in the Anel Ramirez case, adding that the Americans have released some information connected with this case in a suspicious way.

Cochez said he has learned that the Gaviota Building, identified as the site of the meetings between Ramirez and his partner, Elizabeth Gonzalez, was Ramirez's operations center in Panama City.

The authorities who were keeping Ramirez under surveillance saw other people linked with the Labor Party legislator enter the building, and they also might be involved in drug-trafficking activities. According to Cochez, the U.S. authorities know Ramirez met with politicians, even two legislators, in the building, but he did not reveal their names.

Cochez also reasserted the possibility of ties between the current situation in the Attorney General's Office and the case of Anel Ramirez, who is now under arrest in the United States.

PDC Lawmaker Links Dismissal of Prosecutors to Drug Probes

PA0711185793 Panama City EL PANAMA AMERICA in Spanish 5 Nov 93 p 1A

[Report by Juan Pritsiolas]

[Text] Legislator Camilo Brenes has said there is a new policy in the Attorney General's Office to fire public prosecutors involved in drug investigations. Brenes said he would propose that the National Assembly summon Attorney General Jorge Valdes and the Judicial Council to explain why certain public prosecutors have been dismissed and replaced by individuals who have been denounced for criminal activities.

According to Camilo Brenes, the assembly must "do something," because "any public prosecutor who investigates drug trafficking is thrown out" of the Attorney General's Office. Brenes, who also serves as secretary general of the Christian Democratic Party, cited the dismissals of Public Prosecutors Luis Esquivel (Bocas del Toro), Isela Chiari (Darien), and Emilio de Leon (Chiriqui)—all of whom were conducting drug-trafficking investigations that would affect a number of government employees.

Meanwhile, former District Attorney de Leon said during an interview with the Telemetro Television Network that "hair-raising" reports exist concerning the drug-trafficking situation, and he added that he plans to hold a news conference to explain why he was dismissed.

Emilio de Leon and Luis Esquivel conducted the "Bocas del Toro Without Drugs" and "Quarry" operations, which prompted the arrest of national police and customs employees.

Meanwhile, Isela Chiari said she was dismissed in "retaliation" for searching the home of Darien Governor Lesbia Alarcon.

Narcotics Secretary General Resigns To Run for Office

PA0811040893 Panama City Telemetro Television Network in Spanish 1730 GMT 5 Nov 93

["Exclusive" statement by Attorney General Jorge Ramon Valdes; from the "Telemetro Reports" newscast]

[Text] A key official at the General Attorney's Office has resigned from his post to enter the political race. Our reporter Raul Eduardo Cedeno managed to break Attorney General Jorge Ramon Valdes' silence. Valdes made the announcement in an exclusive interview and named the person who would replace the resigning official.

[Begin recording] [Valdes] Allow me to announce that Norberto Castillo has resigned as secretary general for narcotics at the Attorney General's Office. He will participate in the upcoming election. We have appointed Fourth Circuit Attorney Milciades Mendez as acting secretary general until we make a permanent appointment. We will present Mendez to you officially next week so he can answer any questions you may have for him about his plans for the time he will be in office. [end recording]

Argentina

Defense Minister 'Confident' U.S. Will Lift Arms Embargo

PY0511122293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2005 GMT 4 Nov 93

[Text] Buenos Aires, 4 Nov (NA)—Defense Minister Oscar Camilion said today he is confident the United States will lift its embargo on the sale of weapons to Argentina. The embargo was enforced following the conflict in the South Atlantic. This move will enable our country to purchase radar installations for the A4-M planes.

Camilion admitted, however, that Bill Clinton's administration is "reluctant" to approve the sale, based on a bilateral agreement in force since the Malvinas war under which the United States agreed that any military equipment to be sold to Argentina required prior consultation with the United Kingdom.

Camilion said he believes "the situation has every prospect of a good outcome" although he resorted to a graphic expression to avoid speculation on the result of the negotiations.

He said: "I have been a hunter for years, but I do not sell bear skins before I go hunting."

After meeting with cabinet members to brief them on his activities in the United States, Camilion told reporters in the press room of Government House that he is confident the radar sale will be approved, despite pressure from Great Britain.

Camilion said that Argentina wants to purchase 36 radars and that the operation will cost approximately $200 million.

When asked why the government is pushing so hard to buy the radars in the United States despite the Clinton administration's reluctance to sell them, and after waiting so long for an answer, Camilion said that Argentina "believes this deal has nothing to do with the British."

Camilion also called relations between Argentina and the United States "contradictory," pointing out that "there is interference of a political nature" which does not solve the anachronism of an embargo on weapons when Argentina is taking part in 10 peacekeeping missions sponsored by the UN Security Council.

Regarding the peacekeeping missions in Haiti, Camilion said that the Argentine Government "insists on political measures," and will not tolerate landings to demonstrate a "show of force." Camilion said: "Argentina is not yet prepared to support" military intervention in Haiti.

He then spoke about the sale of the Pampa airplanes. Regarding the possible sale of these Argentine training planes to the United States, Camilion said: "Argentina now has great possibilities for exporting technology."

He said that this was studied during his recent visit to the United States where he was able to confirm in the Pentagon that the U.S. Government is still interested in buying the airplanes because funds were appropriated for this purpose.

Camilion estimated that the planes will be sold during the second half of 1994. Answering a question on how much money the United Nations owes Argentina for peace operations, Camilion said: "In the case of Croatia it is between $10 and $11 million."

Chile's Pinochet Arrives 'Unexpectedly' on 2-Day Visit

PY0511140893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1221 GMT 5 Nov 93

[Text] Buenos Aires, 5 Nov (NA)—General Augusto Pinochet, the Chilean Armed Forces commander in chief, arrived unexpectedly in this city on 4 November for a 2-day private visit.

The former de-facto Chilean president, who is staying at the Alvear Hotel, plans to carry out some "private activities" during his stay, although a meeting with Army Chief of Staff General Martin Balza could be on the books.

Pinochet, who is staying at the Alvear Hotel of this capital, on a previous occasion made a "private" visit to the country, and during another visit was decorated by the Argentine Government.

Pinochet will depart on 6 November for Brasilia, where he will participate, with the Army chiefs of staff and commanders in chief of the continent, in the Conference of the American Armies.

Menem Interviewed on Privatization, Regional Ties

PY0511141093 Montevideo EL PAIS in Spanish 28 Oct 93 p 16

["Exclusive" interview with Argentine President Carlos Saul Menem by EL PAIS in Buenos Aires—date not given]

[Excerpts] [Passage omitted] [EL PAIS] How would you assess this first phase of the privatization process? What are the good and bad points of this process?

[Menem] It is difficult to list the mistakes. We have made mistakes but in order to pinpoint them we would have to assess each privatization separately. Let us look at some results: The National Telecommunications Enterprise [ENTEL] was producing a loss of $1,000 million per year. This enterprise was privatized, and many ENTEL employees became shareholders of the enterprise. They are no longer proletarians; they own 10 percent of the company shares and want to buy more because they are doing very well.

The government got rid of an annual loss of $1,000 million and is collecting more than $400 million per year in taxes. Aside from any mistake, the important thing is this final result.

Here at the Olivos residence, for example, I make sure that I turn off lights, do not waste gas and water, and control the use of the phones. In the past, as these were public companies, neither Government House nor the national or provincial governments paid for what they consumed. Now we must watch our consumption because we must pay for it. These are some of the advantages of privatizing.

[EL PAIS] What lessons have you learned for future regional privatization processes?

[Menem] If I had subjected this state reform to a plebiscite, we would not have been able to do anything. I am sure the people would have said no to this process. If now we were to hold a plebiscite 90 percent of Argentines would favor this change, without a doubt.

The results are excellent. Just compare the 5,000 percent inflation rate of a few years ago with the inflation rate for this month, which will not be more than 0.5 percent. Between October 1992 and now the inflation rate has not reached 8 percent. I am talking about 5,000 percent just four years ago—not a century ago—just four years ago. [passage omitted]

[EL PAIS] How does corruption affect the democratic system?

[Menem] Like anywhere in the world, corruption seriously affects the democratic system. But the great virtue of a democratic system is that it has its own remedy through the full functioning of its institutions. The problem is when there is no democracy, and no liberties, but there is corruption. Argentines and Uruguayans are well acquainted with that situation. We had the courage to rapidly wipe out this scourge, not only for the community, but for the life of this community that has chosen to live in freedom and democracy.

[EL PAIS] What guarantees does the Argentine legal system offer the people?

[Menem] Full guarantees. Stories of the dependency of the judicial and executive branches may have contributed somewhat to the electoral campaign but you see how it all ended. There is no such thing as a dependent court in Argentina as our adversaries stated. That is a great lie.

[EL PAIS] Do you have other privatizations in mind?

[Menem] The deregulation process will be comprehensive. We will deregulate every type of activity in order to lower the famous Argentine cost which, obviously, concerns us a little.

[EL PAIS] Aside from the achievements attained so far, what aspects of the convertibility plan do you think must be corrected or strengthened in the short term?

[Menem] There is nothing to correct; this convertibility plan must be maintained at any cost. There has been a lot of lobbying, seeking to prompt a sort of currency devaluation to benefit exports. While this benefits one sector of the community, the great majority of Argentine people go to bed with $10 in their pocket and wake up to find that they have lost 10 percent due to devaluation. Those who suffer are the workers who want a sound, strong currency which can be used to obtain credit, not the exporter who brings wealth to Argentina. For the most part this wealth is not distributed; it remains with the company that earned it. This is why we have decided to maintain the convertibility plan at any cost because it is responsible for the stability Argentina currently enjoys. The rules of the game have been established.

[EL PAIS] Is a political will needed for this?

[Menem] If there is no political leadership, there is nothing, absolutely nothing. One must assume responsibilities, in the political world one must assume responsibilities. The people—and I am not only talking about Argentines, Uruguayans, or Chileans, I am talking about the people of the world—no longer accept illusions. The media is so positive, so fast, that if Yeltsin sneezes in the Soviet Union [as published] we would know about it a minute later. We hear what is happening in any part of the world immediately. The people are aware of what is going on.

One must not speculate over elections, one must think about the country regardless of elections. As I always say: One must think about future generations, not about the future elections. When I came to power I said: Major surgery without anesthesia. It had to be done and, although it hurt, it was done. I would rather people booed me today for the measures we are implementing but that they give me credit for something once the process is concluded. People acknowledged what I have done with their vote on 3 October. We won in 1989, in 1991, and in 1993.

[EL PAIS] Talking about political will, do you still support the Mercosur [Common Market of the South]?

[Menem] Argentina is no longer the caboose. This is the only geopolitical and geo-economic space, the only possibility we have to compete with other spaces that are getting organized in the world, like NAFTA [North American Free Trade Agreement], which is a necessary step in the integration of the entire continent. This is the era of continentalisms—just look at Europe. But to be able to reach a continentalism we must start the process with a sort of regionalization of the continent, which is what is happening now.

[EL PAIS] In view of its economic stability, Argentina, to some degree, has become Mercosur's motor.

[Menem] Argentina has ceased to be the caboose. We are now trying to distribute the load evenly so that we can all cease to be the caboose. As long as I am heading the government, Argentina will not have to cope alone. As long as I am president, Argentina will not act in an isolated manner. Even though we are doing well now we must not think this well-being will last for ever. We will eventually need the help of those who are not doing so well now.

[EL PAIS] If the Asuncion Treaty were being signed today, would you sign it?

[Menem] Yes, I would sign it without hesitation. I would ratify it right now. [passage omitted]

[EL PAIS] How do you define political and commercial relations with Uruguay?

[Menem] Our political relations are good, because they could not be otherwise. We have some problems in the commercial field such as fishing, the waterway, but these problems will be solved soon. We are negotiating, and you may rest assured that this issue will not get out of hand. We do not want any problems with the Oriental Republic of Uruguay. Quite the contrary, we intend to solve the problems so that neither country is hurt.

Menem, Alfonsin Might Agree on Constitutional Reform

PY0611170593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1034 GMT 6 Nov 93

[Excerpt] Buenos Aires, 6 Nov (NA)—Argentine President Carlos Menem and his predecessor Raul Alfonsin [Radical Civic Union, UCR] yesterday indicated that the administration and the opposition could reach an agreement to jointly draft a new constitutional reform bill. If this were to happen, the plebiscite scheduled to take place on 21 November would become meaningless.

Yesterday afternoon President Menem admitted for the first time the possibility of amending the bill which the Senate has already approved. Alfonsin labeled Menem's remarks "positive" because "if they are really prepared to call off the plebiscite and amend this aberration that the Senate has approved, that is more reasonable than leading the country to a confrontation."

If Alfonsin is elected president of the UCR National Committee on 12 November and the contacts established between the two leaders are maintained, it is possible that the two will meet almost immediately after the UCR convention.

Menem publicly admitted that the ruling party is prepared to amend the bill which has already been approved by the Senate and did not rule out a meeting with Alfonsin by stating: "If we reach an agreement on the constitutional reform, we will embrace each other; if not, each will go his own way."

A few hours after Menem uttered these remarks, Alfonsin told NOTICIAS ARGENTINAS on the phone from Simoca, Tucuman Province, that Menem's remarks were "positive."

He added: "If they are really prepared to call off the plebisicite and amend this aberration that the Senate has approved, that is more reasonable than leading the country to a confrontation which would not be good for the nation or our democracy." [passage omitted]

Economy Minister in Hong Kong Discusses Economic Policy, NAFTA

PY0511162193 Madrid EFE in Spanish 0905 GMT 5 Nov 93

[Text] Hong Kong, 5 Nov (EFE)—Argentine Economy Minister Domingo Felipe Cavallo today said there will be no changes in the course or pace of his country's current economic reform, even if Argentine President Carlos Menem's constitutional reform does not prosper.

Cavallo said that if there is no constitutional reform, the Justicialist Party will choose a presidential candidate. No matter which of the two mentioned candidates runs, he will state in his campaign that the current economic policy will be maintained.

Cavallo said: "If the opposition wants to win the 1995 elections, it will have to promise no major changes in the economic policy because, according to the polls, the current economic policy is supported by the people."

In a speech followed by a news conference at the Hong Kong Foreign Correspondents Club, the minister said: "There will be no backward steps in the economic policy." Cavallo said: "Concerning the economic policy, continuity and stability are guaranteed." He added: "In Argentina, no one wants to return to the times of hyperinflation."

Asked about the impact of a possible failure in the implementation of the North American Free Trade Agreement (NAFTA), the minister said that he does not believe that, in the short-term, the impact will be significant for Argentina or Latin America. Cavallo said: "If the agreement is not approved, the problem will become a symbol of the U.S. President's lack of leadership." This will be costly in terms of the GATT, the minister noted. Cavallo added: "The failure of the agreement would be more damaging for the United States and for its leadership role than for Latin American economies." Cavallo said: "In the case of Mexico, of course it would be bad news, but I do not believe it will involve a change of course in Mexico's reforms or in the trends of its economic improvement."

Cavallo and a large delegation of Argentine economists visited China and Hong Kong and will now go the Philippines to become acquainted with economic reform experiences in this area and report on the Argentine economy's reform.

'Does Not Rule Out' Running for President

PY0611211293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2001 GMT 5 Nov 93

[Text] Hong Kong, 5 Nov (AFP-NA)—Economy Minister Domingo Cavallo will not run for the presidency in the 1995 elections, but he does not rule out the possibility of a presidential candidacy in the year 2000.

In an interview with AFP the minister—who made a stopover in Hong Kong on his return flight from the PRC—stated that he will devote the next two years to the consolidation of the economic reform. They will also be "two key years for labor deregulation and for fiscal discipline," he added.

Cavallo, who is reputed to be the author of the Argentine "economic miracle," remarked: "I do not rule out (my candidacy for the presidency) later on."

Cavallo believes that President Carlos Menem's chances of having the constitutional reform passed—which will enable him to run for the presidency a second time—have increased since the October elections in which the Peronists were victorious over their opponents.

According to the economy minister "there is not much conviction among the opposition to oppose the initiative."

In any case, were the president's initiative to fail, Cavallo deemed that two other candidates who had committed themselves to continuing along "Menem's economic policy lines" might take over—Buenos Aires Province Governor Eduardo Duhalde or Tucuman Governor Ramon Ortega.

Cavallo underscored that the reforms currently under way in Argentina will end up being "institutionalized," and that the Argentine people will conform "to the new rules of the game."

This progression should be instrumental in dispelling the fears of Argentines and foreigners that the process of economic transformation is guaranteed only by the presence of the team of Menem and Cavallo.

The minister believes that despite the fact that everything is done thanks to "the president's guts" and to "the energy I put into it," the government's policy will be conducive to "a much more normal climate" and "to the institutionalization of change."

In response to a question, Cavallo stated that "we are not going to renounce our convertibility plan, a condition for stability," and cited figures to refute that the purchasing power of Argentines is declining.

He contended that wages have been rising steadily since the end of the Alfonsin administration (1990), inflation has been curbed, and "the middle classes have never before enjoyed such an optimum situation."

Cavallo cited a 30 percent wage hike, an increase in the rate of consumption ranging between 30 and 40 percent since 1989, and a reduction in the number of people living below the poverty line by half (11 percent, compared with 22 percent before 1989).

He asserted that this year 400,000 people bought new cars, as compared with 90,000 four years ago.

The unemployment rate is on the increase (it has risen from 7 to 10 percent of the active population in a year), but oddly enough it is accompanied—according to figures provided by the minister—by an increase in the number of openings filled.

Cavallo explained this apparent paradox by stating that a considerable number of women and youngsters have joined the labor force.

In response to another question, the economy minister insisted on the need to strip labor legislation from "its monolithic character" and give "more flexibility to the labor market."

This legislation, which can be traced back to General Juan Peron's administration, is too rigid, even coercive, and is frequently cited by Argentine and foreign companies as a stumbling block in hiring workers.

At the same time the minister stressed the government's will to end what he termed "the litigation industry" by means of a reform in legislation, especially concerning lawyers' and experts' fees.

There is a distinct trend in Argentina, encouraged by some lawyers, to resorting to legal action, which Cavallo intends to discourage.

The minister, who was returning home from the PRC, stated that the two countries maintain "very good political relations," and that he had perceived "interesting economic opportunities" there.

In this regard he recalled that Argentina did not wish to meddle in the internal affairs of the PRC, and had therefore adopted a very reserved stance with regard to the bloody events that took place in Tiananmen Square in June 1989.

Cavallo conceded that "there has been no progress" in the discussions with Great Britain over the future of the Malvinas Islands, which had been the bone of contention leading to the war between the two countries. He nonetheless remarked that bilateral relations, especially in the commercial sphere, have considerably improved.

"The general climate is very positive," he said. "We have managed to have once again the same atmosphere that was prevalent before the war... (This) is going to facilitate discussions... We are not bringing up the problem (of the Malvinas Islands) at every possible occasion," he added.

Trade Balance Deficit Surpasses $1.5 Billion

PY0611210993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1144 GMT 5 Nov 93

[Text] Buenos Aires, 5 Nov (NA)—The trade balance deficit during the first eight months of the year amounted to $1.5715 billion, thus surpassing by 31.5 percent the deficit for the same period in 1992.

Argentine exports during the January-August period amounted to $8.6044 billion, which represents a 5.4 percent increase over the $8.1635 billion during the first eight months last year.

According to figures disclosed by the National Statistics and Census Institute (INDEC), during this period imports grew by 8.7 percent, since they grew from $9.3587 billion to $10.1759 billion.

Foodstuff and energy were the main items exported with an increase of 33.7 percent followed by industrialized products with a 23.4 percent increase and agricultural products with a 0.2 percent increase.

As for primary products, exports dropped 5.4 percent.

Capital goods are Argentina's main imports, which sustains the Finance Ministry authorities' theory that the deficit is only temporary and results from the reequipment and acquisition of technology by the enterprises.

During the first eight months of this year the import of capital goods increased Argentina's imports by 33.5 percent, that is, they rose from $1.8093 to $2.4149 billion.

The import of vehicles increased by 10.4 percent compared to the same period last year.

The importation of consumption goods increased by 5.1 percent; spare parts and accessories of capital goods 4.9 percent, and semi-processed goods 0.3 percent.

The main recipient countries of Argentine exports are Brazil with $1.7604 billion, the Netherlands with $868.9 million, and the United States with $784.5 million, which together represent more than one-third of the country's exports during that period.

The countries from which Argentina imports most are the United States with $2.3042 billion, Brazil with $2.2067 billion, Italy $643.4 million, and Germany $643.3 million, which represents more than half of Argentina's total imports until August.

The INDEC also disclosed information on Argentine trade with the three Mercosur [Common Market of the South] member countries which, during the first eight months of the year, amounted to $4.8493 billion, or 25.8 percent of Argentina's total trade.

Total exports to Mercosur member countries during the first eight months of the year increased by 77.3 percent compared to the same period last year. The following is the breakdown by country of this increase: Brazil 98.5 percent, Paraguay 38.8 percent, and Uruguay 21.8 percent.

Of the $2.2573 billion exported during the January-August period to the Mercosur countries, 78 percent went to Brazil, 12.4 percent to Uruguay, and 9.6 percent to Paraguay.

As for Argentine imports from the Mercosur countries, they increased by 8.7 percent compared to 1992. Of the $2.592 billion imported 85.1 percent was from Brazil, 13.1 percent from Uruguay, and 1.8 percent from Paraguay.

The Argentine trade balance with the other countries in the region showed a deficit of $334.7 million while during the same period in 1992 it showed a deficit of $1.1125 billion.

As for Argentine trade with NAFTA, the North American Free Trade Agreement, during the first eight months of the year it showed a deficit of $1.4992 billion.

Argentina's total trade with the NAFTA member countries during the first eight months of the year amounted to $3.4744 billion, which represents an 8.2 percent increase over the same period last year.

Differences in Argentine Opinion Over Falklands Oil Noted

PY0611214793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1526 GMT 5 Nov 93

[Text] Buenos Aires, 5 Nov (NA)—The Argentine position regarding future oil exploration in the South Atlantic has provoked some differences in opinion between Foreign Minister Guido Di Tella and Argentine Ambassador to the United Kingdom Mario Campora.

This week Di Tella held a series of meetings in London with Foreign Secretary Douglas Hurd and Prime Minister John Major. The minister warned that his country would resort to the appropriate international organizations if a unilateral decision is made on oil exploration.

Di Tella's visit was the first official visit to London by an Argentine foreign minister since the Malvinas Islands war in 1982. The minister said that "even though we have not reached an agreement, there is a manifest British desire to discuss the issue."

This is why Ambassador Campora's remarks surprised the Foreign Ministry. Campora demanded "a firmer position" in the discussions over the Malvinas Islands and the South Atlantic.

According to Campora, Argentina should make its presence felt in waters that belong to the country in the South Atlantic so as to reinforce its negotiating position, adding that it should take measures such as bidding out the six oil areas included in the Argentine Plan.

These areas border Malvinas Islands jurisdictional waters, and the bidding was postponed at the beginning of the year, at Di Tella's exclusive request, as a mark of Argentina's good will in continuing negotiating without pressure.

In fact, the idea of organizing a bidding for the six zones was Argentina's immediate answer for the "letters of conform" [preceding three words in English] that the Kelpers gave to two British companies, authorizing them to explore for oil in the South Atlantic.

Campora told a Buenos Aires newspaper that Di Tella's visit to London was "good" for bilateral relations in trade, tourism, and the transfer of British capital to Argentina's stock market.

The Argentine ambassador to London praised the agreement on gas involving an association between Argentina, Chile, and the United Kingdom's British Gas, to work on the Argentine gas pipeline with distribution and transport over to Chile.

Campora pointed out that "the situation in the South Atlantic continues to be quite complex. Negotiations over oil prospecting have reached a stalemate, but we hope this will be overcome if appropriate cooperation schemes are adopted."

Vice Foreign Minister Fernando Petrella stated that for his part the stance adopted by the Argentine ambassador to the United Kingdom "was known" by the Foreign Ministry, and that "it is not out of line with what the foreign minister is doing."

Petrella, speaking on the radio, noted that "I believe that the possible reverberations of those remarks are significant, because they will be instrumental in reminding the British side—through the media—that Argentina is very much interested in the issue of oil."

Petrella further stated that oil "is a nonrenewable resource that is conspicuously shared, if one may say so of waters that we claim as our own. We must thus hold talks on the subject, in the same manner as was done concerning the fishing issue."

"We have worked out a reasonable agreement on fishing. I remember the time when the Kelpers began granting licenses, while Argentina, with its closed system, simply saw its fish dying either of old age or of boredom," he said.

He added that it had been possible "to broach the subject of fishing quite successfully" thanks to the numerous rounds of negotiations with the British undertaken by the Economy and Foreign Ministries. "Ambassador Campora played an important role in these negotiations," he remarked.

Correction to Argentine, UK Positions on Falklands 'Uncompromising'

PY0511122093

The following correction pertains to the item headlined Argentine, UK Positions on Falklands 'Uncompromising,' published in the 4 November Latin America DAILY REPORT, page 28: Column one, first paragraph, only sentence make read..."has a more understanding position on the...(changing wording). Second paragraph, last sentence make read...that the government's "understanding" position on the...(changing wording).

Bolivia

Foreign Minister Aranibar Urges 'Deep Changes' in UN

PY0511230693 Cochabamba LOS TIEMPOS in Spanish 27 Oct 93 p A7

[Text] La Paz, 26 (LOS TIEMPOS)—Foreign Minister Antonio Aranibar today underscored the need for effecting deep changes in the United Nations by the year 2000, so as to put an end to dire poverty and its attendant problems, malnutrition and illiteracy. Aranibar stated that more than a billion people live in abject squalor and have no access to drinking water, and more than 30,000 children die every day.

Aranibar made these remarks during a ceremony at the Foreign Ministry on 25 October to observe the 48th anniversary of the establishment of the United Nations. For the first time a string orchestra was hired, to play compositions by Mozart.

"Day by day the situation of dire poverty and its attendant problems, namely malnutrition and illiteracy, is becoming worse. This in turn widens the gap between developed and developing countries. This should lead us to think about new ways to unify to promote development," he said.

In the course of his address on that occasion, the foreign minister noted that in our modern world the United Nations has proved that the spirit with which it was created has borne fruit, and has been the underlying principle for its unwearying search for international peace and security.

"Throughout its 48 years of existence the United Nations has played a central role as a forum for dialogue and negotiations for the solution of regional conflicts, such as the recent signature of the agreement between Arabs and Israelis," he pointed out.

Aranibar added that participants in the recent Rio Group Summit meeting established that it was of paramount importance to strengthen that world forum, and to restructure its agencies and working methods in order that they may become more representative and efficient.

"This means that the highest level of global multilateralism could participate in the new world order by having its decisionmaking process highly democratized. This is a key challenge in correcting power imbalances in the international arena," he stressed.

Aranibar moreover stated that he proposed buttressing the United Nations in its economic and social areas above all by means of a considerable, predictable, and reliable increase in the voluntary contributions used to fund UN agencies. At the same time he thanked UNDP [United Nations Developing Program], UNFDA [United Nations Fund for Population Activities], UNICEF, WFC [World Food Council], FAO [Food and Agriculture Organization of the United Nations], WHO, and UNIDO [United Nation Industrial Development Organization], for their support for several programs and projects that are currently under way in Bolivia, geared to furthering the economic and social development of the least favored sectors.

"In this regard I would like to assure you that despite the scarce resources that the system earmarks for the activities of these agencies, and despite the fact that there is a growing trend toward curtailing these financial resources, the Bolivian Government gives its resolute support so that those resources might continue to be used as 'capital seed' enabling other resources to be attracted and allocated to women and men, who are the ultimate beneficiaries of the reinforcement of development," he added.

Walter Franco, UN coordinator in Bolivia, noted on his part that civilization faces serious basic problems that must be urgently addressed. These problems are to be found in the areas of health, basic services, and education. "We live in a world in which more than a billion people live in extreme poverty, in nearly complete destitution, 30,000 children die every day of malnutrition and easily curable diseases, and more than a billion people have no access to drinking water," he said.

"We are all well aware that poverty has deep and complex roots, and that to overcome it we must foster a sustainable human development based on a new development model and on a new world consensus on what needs to be done," Franco added.

Franco further stated that all UN officials in Bolivia have committed themselves to doing their share in the reform process implemented by Gonzalo Sanchez de Lozada's administration through its "Plan for All." "We are very proud to support this Bolivia undergoing change, a Bolivia seeking people's participation, one that is at the forefront of achievements in favor of indigenous peoples, that said no to drugs without resorting to violence, a Bolivia that intends to have a plurilingual and multicultural education system, a Bolivia that—in happy coincidence with UN development objectives—has been the first country in the world to establish the Ministries for Human Development and Sustainable Development; in other words, a Bolivia that lives in democracy," he noted.

Bolivia is a founding member of the United Nations. The first steps toward establishing the United Nations were taken in San Francisco, California, in 1945, after the Allies emerged as the victors of World War II. The United Nations was to replace the League of Nations, which was unable to prevent war from breaking out between the Allies (United States, Great Britain, France, the Soviet Union) and the Axis or Fascists (Germany, Italy, and Japan).

The United Nations then established its headquarters in New York. Safeguarding world peace and security, and the pursuit of economic, social, and cultural cooperation between nations, are among UN's main purposes.

Aranibar: U.S. Experts' Presence, Embassy Actions Legal

PY0611183993 La Paz PRESENCIA in Spanish 28 Oct 93 p 5

[Text] Foreign Minister Antonio Aranibar yesterday denied that the presense of U.S. militarymen in Bolivia and the U.S. Embassy's involvement in the trial by Congress of Supreme Court magistrates is illegal.

Aranibar said that the U.S. mission as a whole includes military experts who are not necessarily armed. Therefore, they do not correspond to the description in Article No. 46 of the Armed Forces Organic Law.

According to this article, troops are uniformed personnel carrying weapons, for which they would require a compulsory authorization from Congress. Aranibar stated: "Therefore, they do represent troops as described in Article 46 and thus do not require an authorization from Congress."

The foreign minister said that the country, nevertheless, "was fully informed with the necessary details this case requires and on a timely basis."

Regarding a possible intervention of the U.S. Embassy in domestic affairs, he denied it although he admitted that "there is no doubt" that the embassy was an active participant in the charges pressed against members of the Supreme Court of Justice.

Aranibar asserted that this subject compelled him to "meditate deeply" on the domestic impact of these actions. He added that "the problem is whether to label this participation as interference or intervention."

Aranibar added: "I still don't know the answer and we have carefully assessed this issue in view of the developments of the past few days."

The minister commented: "In the charges on an alleged extortion by a former minister of the Supreme Court against a U.S. citizen, the latter first resorted to his embassy and later to the Bolivian Government."

"This is where the type of cooperation the U.S. Embassy has been granting simultaneously in this case is established," he added.

He ended by disclosing that the document that reached his office (Ambassador Bowers' letter), "was sent to the president of the republic so that he could decide where it should go, that is, whether it should be added to the legal data currently in the hands of the Chamber of Deputies or whether it should be submitted to the Attorney General's office."

Aranibar commented: "As for the content of the letter, I did not think it was up to the Foreign Ministry or the executive branch to decide whether it was of any use; whether it interferes in domestic affairs; or whether it affects the relationship between the two countries."

"In addition to the explicit declaration the letter contains, in the sense of respecting Bolivian sovereignty and Bolivia's domestic problems, it contains elements of judgment for a trial currently underway. Therefore, just as some people are currently accusing the Foreign Ministry of not having rejected this interference in domestic affairs, the people probably would have accused the Foreign Ministry of being an accomplice in making undue judgments if we had concealed that information from the people," said Aranibar.

He concluded by stating that the Foreign Ministry has a clear conscience, because "we have not accepted nor will we accept foreign interference that could affect national sovereignty; we make sure our dignity is respected and we are clearly an organ at the service of national interests."

Armed Forces Law Permits U.S. Military Advisers' Presence

PY0611202493 Cochabamba LOS TIEMPOS in Spanish 29 Oct 93 p A1

[All quotation marks as published]

[Text] La Paz, 28 Oct—The National Defense Ministry has stated that the admittance into the country of "advisers" who are members of the U.S. Armed Forces does not require congressional authorization. The ministry based its assertion on Article 43 of the Armed Forces Organizational Law, which establishes that military experts do not need this sort of authorization.

The Defense Ministry released the following communique on the night of 28 October:

"Regarding the arrival of members of the U.S. military in Bolivia, the National Defense Ministry reports the following:

1. The group is composed of 48 members of the U.S. Armed Forces, who are on a technical assistance mission and carry no weapons, and three U.S. civilians. They arrived in the city of Cochabamba on 24 October on board three DH-7 planes. They will remain in Bolivia until 3 December. Their mission is to train personnel from the Bolivian Air Force [FAB] and from the Special Antinarcotics Force in tactical drills that will make them familiar with the area and with air-land navigation, as the FAB reported upon their arrival."

2. The U.S. planes are equipped for surveillance and recognition flights. To this end the commander in chief's office has appointed FAB liaison personnel to coordinate the flights that will be performed by the U.S. planes during the training drills.

3. The Executive Branch has authorized the admittance into the country of these technical instructors without requesting congressional authorization because, in accordance with Article 43 of the Bolivian Armed Forces Organizational Law, they are not considered "troops." Paragraphs 2 and 3 of this article literally state:

"Defined as troops are all forces that are organized to be employed in military or civilian action operations.

"Members of the Armed Forces who are fulfilling diplomatic, technical, academic, or humanitarian missions, and are not carrying weapons, will not be considered members of a troop."

Senate President Duran Says Controversy Over

Juan Carlos Duran, Senate president and deputy chief of the Nationalist Revolutionary Movement, today said that the 51 members of the U.S. Armed Forces who arrived in Bolivia on 24 October do not need congressional authorization to enter the country.

"Article 43 of the Organizational Law is extremely clear, and there is no reason for protest. They are not troops, and have come on a cooperation mission," Duran said. He added that there is no reason to set off "fireworks" over the admittance of foreign personnel without congressional authorization, because the issue has been clearly explained by the Executive Branch.

"No authorization is required," Duran emphatically said. He indicated that the opposition parties' dispute and controversy over the issue are senseless.

The FAB has reported that the first contingent of 51 U.S. experts has been in the country since 24 October. They will be in charge of training FAB personnel in the battle against drug trafficking.

Agreement To Fight Corruption Signed With U.S. Embassy

PY0511230393 Cochabamba LOS TIEMPOS in Spanish 26 Oct 93 p A1

[Text] La Paz, 25 Oct (LOS TIEMPOS)—Foreign Minister Antonio Aranibar Quiroga announced today that the Bolivian Government and the U.S. Embassy have signed a bilateral agreement to fight against corruption in the country's Judicial Branch.

The agreement was signed at a time when the country is being shaken by the greatest scandal in the leadership of the Judicial Branch, involving two justices who have been accused of extortion in the case of a Nicaraguan-U.S. citizen [Ibarra Rojas].

The agreement was recently signed, and involves receiving from the U.S. Government a complete computerized system to determine in detail what cases are in the Bolivian judicial system, the number of inmates in the penitentiaries, and the status of each judicial case.

Many political observers agreed that the controversial Ibarra case, in which Supreme Court President Edgar Oblitas and Supreme Court Vice President Ernesto Poppe Zubieta are allegedly involved, is related to the agreement to fight against corruption in the country's judicial system.

This has been denied by several national officials, who said to the contrary that the agreement signed responds to a decision by the U.S. Government to cooperate with Bolivia in the implementation of a control system on judicial proceedings.

The agreement was signed by Interior Minister German Quiroga, Justice Minister Carlos Morales Guillen, and Presidential Minister Carlos Sanchez Berzain for the Bolivian Government, and by Ambassador Charles Richard Bowers for the U.S. Government.

Justice Minister Carlos Morales Guillen said today that participation by the attorney general in the case of alleged extortion in the Supreme Court is not considered "necessary or indispensable" by the government.

Morales indicated that comments made by some jurists about the "alleged irregular procedures" made by the executive power in ordering the trial of some members of the Supreme Court are not true, as the government acted within the framework of the new Law of the Attorney General's Office.

In the malfeasance trial against the two high Supreme Court members that has begun in Congress, criticism was made of the participation by La Paz District Attorney Javier Dips Zogbi, who was accused of having usurped the rights of Attorney General Angel Baldiviezo Echazu and of the Cochabamba district attorney.

According to Morales "any official or authorized prosecutor could have made the accusation and started the trial."

Morales explained that the Attorney General's Office, because it is an antonomous entity, is "a single body," and its internal mechanisms establish that when there is a lack of "a determined official, there is another," without considering whether he is an "attorney general or a district attorney."

He added: "This is because the Attorney General's Office, in penal matters, does not consider exclusive ranks for starting judicial proceedings."

Morales also indicated that the government has the responsibility not only of providing "indications of guilt and conclusive evidence" of acts of corruption in the Supreme Court, but also in the case of any Bolivian official or citizen.

He added: "They all have the obligation to submit their charges to the Justice Ministry, in order for the ministry to give the evidence to the appropriate organizations."

Minister Sanchez Views Impeachment of Court Justices

PY0511225593 Cochabamba LOS TIEMPOS in Spanish 26 Oct 93 p A4

[Interview with Minister of the Presidency Carlos Sanchez Berzain by unidentified reporter; place and date not given]

[Excerpts] [LOS TIEMPOS] Mr. Minister, there are people claiming the existence of pressure to dismantle the Judicial Branch.

[Sanchez Berzain] Well, the first thing will be to disqualify those people's remarks. Dr. Oblitas is not right, and I regret that he may be trying to transfer the burden of corruption from the juridical to the political field. He says that those around the president of the Republic and the U.S. Embassy are trying to destabilize the Supreme Court of Justice in order to achieve the extradition of Bolivian citizens. If Bolivians do not want to believe in videos and the evidence submitted, there is no more evidence. The problem is that when one falls into bribery or prevarication, no receipt is given. What we did was to document this fact in the best possible manner, as was done by the police and the state intelligence service.

The act of prevarication was committed by Dr. Oblitas and Dr. Poppe upon announcing the withdrawal of their votes from the case that prompted this matter. No judge is allowed to withdraw or modify his vote once it is cast. That would look like a process of threatening the citizen who had the courage of making the accusation. I want to point out that the Executive Branch is not quarreling with the Judicial Branch or the Supreme Court. No one is trying to tarnish the image of these institutions. What was done was to collect evidence of corruption, to place this in the hands of the Attorney General's Office, which will in turn pass it to the appropriate organ: the Chamber of Deputies.

The impeachment affects two justices, Oblitas and Poppe, and they are not the Supreme Court. The penal responsibility is absolutely individual, and the impeachment affects those two individuals.

The only policy, the only political premise that exists in this process, is the policy of fighting corruption, and that is the policy of the government of President Sanchez de Lozada. There is no interest in overriding the court, nor the party systems. There is the law of the two-thirds majority.

The accusations against us are unfounded. They are anecdotal. The two magistrates who were warned are justices who had access to the Supreme Court at the proposal of the MNR [Nationalist Revolutionary Movement], in their role as active members. Our position is not aimed at a given party, but against corruption. The tendency is to turn the issue into a political matter. In Bolivia, following the presentation of evidence and videos, there are two types of citizens: those who are ready to fight against corruption, and those who want to defend it. [passage omitted]

[LOS TIEMPOS] Is there a deadline for this process?

[Sanchez Berzain] That is a matter to be decided by Congress. The law provides for 15 days for the Chamber of Deputies, and in the impeachment process we believe it can take no more than 30 days. That is the legal time, then, but let us see how this issue will end. The tendency of those accused is to distract and confuse the people, making it a political issue, and making those of us who have participated in presenting the evidence and making these accusations as in turn those who are accused. Here we have only two individuals from the Supreme Court who are being accused: Dr. Oblitas and Dr. Poppe. There are also citizens who are accused, such as Dr. Hugo Galindo Decker, former Supreme Court justice; former Supreme Court member Mr. Vladimir Poppe, the son of Dr. Ernesto Poppe; and Mr. Orgaz. They are the accused.

If we who are fighting corruption at any given moment allow ourselves to be attacked by those accused, diverting the terms of the discussion and the investigation, we are going to revert to where the country was up until last week. People know there is corruption. The people know that within the Supreme Court there is corruption, and this was confirmed by a magistrate such as Dr. Siles Salinas.

[LOS TIEMPOS] Did impunity exist, then?

[Sanchez Berzain] We must not confuse what the Supreme Court is, and what two justices of the Supreme Court are, and the judicial branch. The executive branch must not be thrown against the Judicial Branch, because corruption is not a fact in which we can say that all the people within this room are corrupt, or that all the people from the Judicial Branch are corrupt, because that is not true. Within the Judicial Branch there are good people, but there are also corrupt people. There are two people accused of corruption with preestablished evidence. This is not an institutional fight, with the executive branch against the Judicial Branch. This is the mechanism of a struggle against corruption implemented by the Bolivian Government against those people whose responsibility in said corruption has been proven with evidence.

[LOS TIEMPOS] Where does the Ibarra case stand?

[Sanchez Berzain] This is a situation to be analyzed by the people dealing with that matter, but in my opinion Ibarra will be in custody until a resolution is issued concerning his extradition, because the resolution, which was already issued will apparently not be implemented, because two justices are about to change their votes, and that is prevarication. Ibarra reported this situation in due time.

UCS Leader's 'Confusing' Support for Government Examined

PY0611203993 Cochabamba LOS TIEMPOS in Spanish 26 Oct 93 p A6

[Commentary by Samuel Mendoza]

[Text] If we were to carefully analyze the attitudes of and remarks by Max Fernandez, leader of the Solidarity Civic Union [UCS], we would soon find ourselves in the middle of a sea of incomprehensible and confusing circumstances. We all know that the UCS is part of the current national government, through the well-known "governability pact" signed with the Nationalist Revolutionary Movement [MNR]. In more concrete terms, the pact was signed between President Gonzalo Sanchez de Lozada and Max Fernandez Rojas. It seems, however, that Mr. Fernandez interpreted this pact as a sort of certificate through which he was appointed copresident of the Republic. The strange thing, however, is that this alleged copresident believes it is his duty to undermine the president's position.

Far from cooperating with the government's work, Mr. Fernandez takes advantage of absolutely any absence by the president to speak evil of him and of the government itself, harshly criticizing either its actions or its inaction. Everything leads one to the conclusion that Mr. Max has not yet learned how to be a politician. He has not yet realized that in politics everything is possible—including what is impossible—and that many turns have to be taken in order to reach a certain objective.

During President Sanchez de Lozada's first trip abroad (United Nations, Washington), Mr. Max pestered the government of which he is a member. Upon the president's return, however—after a brief meeting—relations returned to normal and to mutual affection. The president's second trip (Santiago), however, gave Mr. Max a chance to reaffirm his negative opinions of the president and of the government itself. He said that the Sanchez de Lozada-Aylwin meeting was hardly "a salute to the flag"; that the MNR knows that "we got a flat tire" and are unable to move forward; that "superministers manage the destiny of the country as they wish"; that the changes in the High Military Command "might bring future difficulties"; etc., etc. The truth is that Mr. Max Fernandez is not happy with cogoverning, as his role is not noticeable enough. He is dissatisfied to such an extent that he claims to be willing to return "the 210 or

215 positions that the UCS has in the administration," obviously including the post of defense minister.

They way things are going it seems that the UCS in general, and its leader Max Fernandez in particular, are becoming a nuisance within the government of Mr. Gonzalo Sanchez de Lozada. Some of Mr. Max's opinions, however, are valid. For example, that a lot still has to be done to "optimize" the entire administrative system in order to begin governing. To tell the truth, no one so far really knows what is what or who is who in the government apparatus. As we once said, I believe the ministries, instead of being reduced from 17 to 10, have in practice increased to 30, with as big or bigger bureaucracies as they had in the old ministries.

The only thing that has been reduced is the number of ministers attending cabinet meetings; the rest has increased. What is in any case deplorable is that this new government apparatus has not begun moving. There are gears that are not coordinated, while some are unnecessary, and others are just missing.

Mr. Max might be concerned about all this. It would be good, however, if he—instead of making harsh criticisms of his temporary or circumstantial partners—tried to orient the work along a better course. All this without having to assume a copresidential position, and much less the position of an obstacle for the government.

Brazil

Cardoso Briefs Senate on Privatization

PY0511125693 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 5 Nov 93

[Text] The finance minister has asked Congress to forget party and electoral interests and devote more time to issues that are important for the country.

After addressing the Senate for six hours yesterday, Finance Minister Fernando Henrique Cardoso said that the government will support the constitutional reform. During the address, Minister Cardoso urged congressmen to vote on the issues that are important for the country.

[Begin Cardoso recording] Senator Pedro Simon and I urge Congress to decide on issues that are of interest to the country. We ask them to forget party, candidacy, and electoral interests and vote on the two, three, four, or five issues that are important to allow Brazil to jump forward, because it is ready. [end recording]

Minister Cardoso appeared before the Senate at the invitation of Senator Eduardo Suplicy to explain the government economic policy. In his introductory speech, the minister defended the need to reform the system used to decide on public expenditures, because he believes the current scheme is corrupt. Cardoso reported on our economic situation and emphasized the economic growth.

Minister Cardoso added that during the second stage of the National Privatization Program, PND, the government may privatize the airports. He added that the PND will now concentrate on privatizing ports, highway transportation companies, and other services which the constitutional reform may allow, including the electricity distribution companies.

He confirmed that the government is against privatizing the Brazilian Petroleum Corporation and that it is not even considering the possibility of putting the company into private hands.

Text of Speech

PY0611004093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 93 pp B10-B11

["Text" of address by Brazilian Finance Minister Fernando Henrique Cardoso to the Senate plenum in Brasilia on 4 November]

[Text] I am deeply moved by the act of once again addressing the Federal Senate, which in my opinion is the best school for a political career. I have participated here during great moments in the reconstruction of Brazilian democracy.

From my post in the executive branch I have always tried to bring my concerns to the attention of my colleagues in Congress, and discuss with them the path we must take at this time of so many changes.

This is a good habit of our democracy: Responsibilities and decisions are shared by the institutional powers of the Republic.

Some issues concerning Brazil's present times and future bring me to the Senate again today. But before telling you about our new challenges and how we must face them, I would like to reiterate my confidence in the Senate.

The strength and grandeur of an institution is measured by the ideals and principles it upholds. The national Congress' prestige will never be stained by the individual mistakes of any of its members. Any charges must be rigorously and promptly investigated. Those responsible for the slightest act of corruption must be punished. Defending democracy does not entail cheating. Dishonesty and the exercise of a public post are definitely incompatible. This scourge must be eliminated.

I am certain that Congress will survive this experience strengthened in its role as the pillar of the democratic order.

I believe that the current crisis gives us an opportunity to go beyond the individual responsibility for mistakes made. There is a structural aspect behind this crisis: The model used to make decisions regarding public expenditures includes a pact of ancient regional elites, which have one foot in the legislative branch and one foot in the executive branch. The current electoral and partisan system establishes an alliance between groups of power that are sustained by distorted budget practices. The time has come to break these nepharious alliances between regional oligarchies, political partisan sectors, enterprises, and public servants. An alliance that reflects corruption.

Messrs. Senators:

I have come to speak to you frankly. Brazil is experiencing a difficult moment. Society is anxious and impatient; their demands are more than fair. Itamar Franco's government, with its authentic social sensibility, is taking with determination the reigns of a political plan with which it will govern the country until the next government is installed.

We are practically one year away from the 1994 general elections. What are we going to do until then? Decisions have been made; the path has already been set.

We are going to restore the functioning of the Brazilian state and the stability of our economy, which is necessary to strengthen governability, safeguard sustainable growth, and make social justice feasible.

The country, not Itamar Franco's government, will benefit from these achievements.

The existence of conditions for the state to function—a stable economy, full governability, growth and social justice—depend to a great extent on some of the actions the government has tried to carry out. It depends, obviously, on the actions of different organs at federal, state, and municipal levels. It depends on the understanding and support granted by society. And above all it depends on the decisions of the national Congress.

I am referring to the essential reforms the nation needs and which can no longer be postponed. This is the time to approve them with the constitutional revision. For this I urge that the work of the revisionist Congress not be delayed or interrupted, and that it may bear fruit to the benefit of the society.

Messrs. Congressmen, I want to outline the Brazil we want for the end of 1993, and the Brazil we want for the whole of 1994.

Being realistic, the recent behavior of the economy strengthens our belief that we are treading the right path. Having overcome the bitter recession of the 1990-92 period, when our GDP dropped almost 10 percent, the Brazilian productive system recovered substantially its production level in 1993. By the end of this year we should have a growth of approximately 5 percent.

The tendency to expansion has touched almost every sector, but mainly the industrial and services field, with an increase in the investment rate. The agricultural sector has also yielded favorable results, with an annual harvest of 70 million metric tons.

The government has improved the agricultural and supply policy either by granting credits, by maintaining farmers' income levels, or even by selling government stocks. In preparing for the next harvest the area cultivated was expanded and national products used. The sales of fertilizers increased by 18 percent during the first half of this year, while the tractor and harvester industry hopes to close this year with a 25 percent increase in sold units.

But we are not so naive to believe that the objective of sustainable growth is guaranteed. We are aware that the current recovery may become frail if we do not take care of certain risks, and if we do not take certain steps.

Some minor signals of a cooling off in growth have been detected in indicators for the third quarter, and although they may not affect the positive progress of the entire year this should be contained. I am referring to the decline in industrial production measured by the IBGE [Brazilian Institute of Geography and Statistics], the reduction in retail sales in Sao Paulo, the stagnation in employment, and the slight fall in the rate of quarterly investments.

The government is not ignoring the limitations of a recovery in a productive system such as that of Brazil, in which the conditions of macroeconomic stability have not yet been achieved.

Our current timid growth really has an explanation. In great part this is the the result of insecurity and of the very peculiar habits that took root among economic agents after various failures to fight inflation, and after the traumatic interventions in the operations of the market. It is also a result of the persistence of restraints derived from inflation itself, such as the relatively high interest rates and the shortage of financing caused by the imbalance in public finances. Not even foreign trade, which is showing exceptional performance (this year we will come close to $40 billion in exports) can be considered sufficient volume to sustain the growth of an economy with the continental dimensions that Brazil's has.

This is why the government will not give in to the temptation to pursue growth at any cost. To have sustained growth it is necessary first to have conditions of price stability.

Inflation continues to be, along with misery, the great Brazilian drama. Inflation and misery go together. Inflation is the source of the bad distribution of income. It creates the money of the rich and the money of the poor, the money protected by indexation, and the corroded money of the workers or of those who do not even have access to the financial system.

I have always asserted, and I repeat it here, that lowering inflation is not hard. There are many recipes for doing that. The difficult thing is to keep inflation low and to ensure stability.

From May to September of this year inflation showed an increase, until it became stable in the last two months at about 35 percent. The truth is that inflation has been growing since early 1992.

I will not linger on with the factors that have exerted pressure on the inflation rate since June (funds for harvesting, cost of industrialized food products, public utility rates and transportation costs, the actions of oligopolistic sectors). What I would like to emphasize are the signs that open some positive prospects for the economy in the near future. They seem to show that there will not be any room for a significant acceleration in inflation in the next few months. Until the end of this year, taking into account the behavior of the different sectors, there should be seasonal pressures that would justify a change in the inflation rate. Current projections estimate that this rate will not go over 36 percent. I cannot praise this, because it is an unstable situation at an unacceptable level of inflation. There is no reason to reamin calm in face of the inflation rates of the last two years.

There is also no easy way to regain the road to sustained growth. Only the stability and confidence of the economic agents will stimulate long term investments and prevent the systematic erosion of salaries by inflation.

The obstinate fight against inflation is therefore the only effective way to stimulate sustained growth. This fight requires at the same time a profound fiscal adjustment.

This government is not just saying that it will carry out a fiscal adjustment. It is doing so and will continue to do so until economic stabilization is achieved once and for all. In order for the Brazilian state to become once again reasonably administrated. In order to be able to fulfill appropriately its social function. In order for businessmen to be always able to invest in production and not in speculation. In order for workers to recover the dignity of their saslaries. In order for the services of social security, health, and education to effectively contribute to the well-being of the community.

The Brazilian fiscal crisis has roots inside and outside the country. It goes back to the rupture in the standard of external financing early in the 1980's. It is also associated with the reduction in pressure on social and corporative demands, to the deterioration in the collection of taxes by the state, and to the redefinition of relations between the different government organizations.

The budget process is the natural center of confrontation over the different demands on fiscal resources. It is in the budget that the demands associated with social spending, the salaries of public servants, and the transferal of the various types of resources are heard. Considering that the budget is a document which only authorizes, there have been no problems with trying to include in it any demands of a political nature.

The institutional weakness of the budget process permits the extension of authorized expenditures to unreal levels. In order to do this it is only necessary to artificially inflate revenue expectations through "collection efforts" that never materialize. This unreal budget process increased as of the 1990's.

Budget expenditures, including those relative to the renegotiation of the internal debt, amounted to $144 billion, $113 billion, and $108 billion in 1990, 1991, and 1992 respectively, while revenues stayed at $111 billion, $78 billion, and $68 billion for the same years—that is, budget expenditures were systematically higher that real revenues.

Meanwhile, the rate of spending actually done was only 50.5 percent, 53.2 percent, and 57.05 percent of the total budget in 1990, 1991, and 1992 respectively.

This enormous difference between desired public spending and what is permitted by our revenue realities generates a potential deficit of great proportions.

Two basic mechanisms have operated to prevent the potential deficit from materializing, and in both cases inflation played an important role: the devaluation of budget allotments by inflation and fiscal restraint.

The first mechanism occurs because budget allotments are not indexed accurately, and gradually lose value to inflation along the fiscal year. The mechanism is as follows: The National Congress introduces an index into the budget bill—in agreement with the executive branch—that is applied to allocation values, and which generally includes an excessively optimistic inflation forecast and leaves the allocations in cruzeiros. Inflation then makes the budget feasible, which under normal conditions—that is, with a low inflation rate—would not be possible. The executive branch then becomes a partner of and depends on inflation for implementing the budget.

The executive branch is also compelled to use fiscal restraint to maintain its expenses at administrable levels, even though allotments are devalued by inflation. The government uses this mechanism to restrict spending temporarily, although it inevitably turns up again later. This is observed, for instance, when public workers' salaries are reduced below reasonable levels, or when the government postpones expending money on services maintenance and public infrastructure.

The curtailment of spending—that is, the imposition of quantitative limits on spending—has been the most typical way of implementing fiscal restraint. This practice provokes various distortions: 1. It creates a paradox where priorities are inverted, and the unit managing the spending tries to implement the least important items first in order to fight for the release of resources for really indispensable items later; 2. The unit cannot prevent making cost disbursements, and must contract debts through the system of "delayed payments," which are in fact supplier credits the "renegotiation" of which results in additional expenses, forcing suppliers to resort to over costs to compensate for their loses; 3. Those responsible for the implementation of the budget typically try to initiate diverse activities in order to make their programs "irreversible" or to reach a point where it is cheaper to finish the job than interrupt it; 4. The Finance Ministry's discretionary power to retain or liberate funds favors the practice of patronage and the political use of that power; and finally: 5. Any activity involving "rationing" tends to encourage the proliferation of "black markets." This was mentioned in the report of the CPI [Congressional Investigating Committee] that investigated Paulo Cesar Farias' activities: "The (budget) implementation is the stage in the budget process that is most likely to suffer interferences from outside the public administration."

These elements—an unreal budget, allocations' devaluation by inflation, fiscal restraint, and inflationary taxes—are part of the sick fiscal regime now in effect. The continuation of this regime depends on the existence of a significant inflation rate, which is also basic to the government being able to balance its accounts.

Besides this unreal budget, the federal government's fiscal crisis is also affected by the increasing dependence of diverse federal collection sources on pre-established uses that cannot be changed every year. The logic behind this process is simple: the diverse spending units—states, municipalities, ministries (education, health, transports, etc), public employees, pensioners, agencies sensitive to regional interests, etc.—try to protect themselves from fiscal restraint and the real reduction in their allocations through inflation. The most effective way to do this is to link certain tax payments to the desired allocation.

This defensive position is clearly perceived, for instance, in the "emergency tax" reforms carried out in the first half of the 1980's, when the compulsory transfer of resources to states and municipalities increased. The same position was present recently during the debate over the creation of a Social Security Budget. The growth of linked social contributions, particularly during the last part of the 1980's, used a growing part of total tax collections, and guaranteed for the social area an availability of resources made at the expense of the "pure" fiscal budget.

Chart One shows the remarkable reduction in "non-allocated" revenues over the past 15 years, especially since the end of the last decade. Transfers to state and municipal governments, which in 1983 accounted for 11.6 percent of Union revenues, rose to 18.8 percent in 1992. Even more impressive is the recent growth of other allocations such as, for example, retirement benefits (corresponding to the growth of revenues allocated to social security), which passed from 34.8 percent in 1988 to 48.1 percent in 1992. The range within which Union fiscal policy could maneuver was, therefore, dramatically reduced. The funds available for spending, and for cost and investment, dropped from more than 40 percent of Union revenues at the beginning of the 1980's to a bit more than 20 percent at the beginning of the 1990's. In other words, they were cut in half. These figures reflect the Union's fiscal imbalance.

Over the past few years it has been difficult to promote fiscal reforms to revert the above trends. Inaction has resulted in a progressive reduction in the range within which the fiscal policy could manuever, while unrealistic budget approaches plunged the country into hyperinflation at the end of 1989.

Public accounts have undergone steady deterioration since 1991. The decision to impede the recuperation of public servants' salaries was maintained, while successive contingency decrees were issued in order to preserve some kind of fiscal control. However, with the granting of salary equity to public servants, and with the growth in real terms of the payroll as a result of the elimination of differences between the three branches of government, personnel expenses (in the fiscal budget) will this year be higher than in 1992.

In order to complete the elimination of the artificial system for controlling spending which has been assembled over the past few years, the courts have ordered the payment of a 147 percent adjustment on retirement allowances and pensions. As a result of this the social security system reduced its share of payments for health expenses, which in 1992 reached approximately $4 billion.

The 1993 budget was also affected by the unrealistic approach of previous years. The performance of Union accounts in the first half of the year reveals the importance of mechanisms such as the inflationary deterioration of allocations and the tax burden, which aim at making this unrealistic budget feasible. In this period revenues surpassed $33.5 billion, while spending plus interest stood at $28.6 billion. The primary surplus stood at $4.9 billion, and the operational surplus at $2.2 billion.

My fiscal policy choice for the second half of the year reflects an attempt to drive away from the practice of previous years, beginning a transition toward realistic budget practices. Instead of permanently resorting to the tax burden, a budget reprogramming initiative was implemented through a bill submitted to Congress eliminating several allocations. At the same time a two-month Treasury financial programming will aim at guaranteeing that the remaining budget allocations will not be rechanneled to other areas.

Budget cuts amounted to billions of real cruzeiros, covering only 15.1 percent of capital expenses and financial investment, plus 41 percent of all allocations subject to reduction—that is, allocations that are not financed with specific revenues. The dollar value of such reductions, combined with the reduction produced by the fact that remaining capital expenses and financial investment allocations did not compensate for one another, produced a budget cut of approximately $6 billion: that is, approximately 1.5 percent of the GDP.

This effort, however, did not prove enough to restore the budget balance. There were two reasons for this: the steady deterioration in social security finances, and the uncontrolled growth of national public health spending, with medical consultations and hospital treatments.

Of the 818 billion real cruzeiros requested as additional credits for cost and capital expenses for the rest of 1993—a request being studied by the Federal Budget Secretariat—586 billion are for social security (health and retirement).

For this reason, despite the substantial revenue increase registered in 1993, it will be impossible to reach a balance in this fiscal year if we comply with the previously assumed disbursement commitments. A new financial reprogramming will be necessary, reducing from 42 to 25 percent the remaining allocations for the last two-month period of the year.

Even more dramatic is the projection of the current Union's financial imbalance pattern for 1994. The Budget Bill submitted to Congress provides for an overall deficit of $26.3 billion. This figure is totally incompatible with any successful stabilization effort. Furthermore, full implementation of the current budget with a high inflation rate will make financing of the Treasury extremely weak in 1994. If the current fiscal situation remains unchanged, in 1994 the economic policy might have to be compelled to choose between strong recession—caused by the very high interest that would be needed to finance the Treasury—and hyperinflation, caused by the deterioration on the purchasing power of money. In both cases the consequences to political and institutional stability would be unpredictable during an electoral contest.

All these serious restrains on the state's political and economic actions show that, without a fiscal adjustment, the country runs the risk of becoming ungovernable sometime next year.

The government has decided to propose the following package of measures aimed at changing the fiscal system and balancing public finances:

1. Review the 1994 budget with the purpose of eliminating the operational deficit projected in the draft bill currently being studied by the Budget Commission;

2. Submit to the national Congress a package of proposals designed to restore the financial balance of the public sector in the long term, and;

3. Revive, in a broader manner, the National Privatization Program (PND).

The main tools for the 1994 fiscal adjustment will be the revision of the budget and the constitutional measures. I invited the president and the coordinator of the Budget Commission to a working meeting to inform them about the government's willingness to review the 1994 budget draft and eliminate the projected deficit. On that occasion we decided to form a special working team to review the budget until the penultimate week of November.

This initiative, however, in order to yield the expected results, must be backed by constitutional measures that will also have an impact on 1994, and which we deem necessary to restore the federal government's capacity to define and implement policies of public benefit and, above all, restore the state's control over its revenues and expenditures. Although it is aware of Congress' sovereign jurisdiction in this field, the executive branch will not fail to fulfill its responsibility to contribute to the discussion and approval of the reforms necessary for the country.

In order to guarantee a fiscal adjustment, as well as the state's efficient and permanent action, it is necessary to review, at least:

1. To what degree the federal government's revenues are restricted;

2. The distribution of the jurisdictions of the federal government, states, and municipalities;

3. The regulations referring to public servants;

4. The tax and social security system;

5. The monopoly system, in the chapter of the Constitution referring to Economic Order, granting it greater flexibility.

As for the tax reform, specifically, the amendments the government will suggest do not seek to review the entire system currently in force, but simply to create better conditions for the state to function and for the administration of pulic finances. A broad reform of the tax system will only be feasible after attaining macroeconomic stability. The tax reform projects drafted and proposed by congressional representatives so far entail the risk of contributing to a reduction in the federal government's revenues.

The new PND, with the changes announced in October, has a unique characteristic. It yearns to refigure the federal government's huge liabilities, reducing the levels of indebtness, extending their profile and reducing their cost.

In order to better serve the government's objectives, the new program entails three great changes:

1. The first great change lies in the institutional field. In keeping with the incorporation of the privatization program into the stabilization program, it was sought to adjust the laws to make the program more flexible.

2. The second change was to try to identify new privatization boundaries, including concessionary enterprises in the electricity field. But in order to be able to implement the privatization program in the electricity field, and so that the federal government could obtain a

greater return of its assets, it is necessary to draw up a new institutional order and regulate the form and sequence of privatizations. This will demand some time, which should be brief, because several studies in this sense have been carried out by the sector itself since 1986. In addition to the electricity field, ports, highway transportation, airports, and others fields that the constitutional revision will identify may also be included in the privatization program.

3. The third change in the PND refers to the transferal of assets and the refiguring of liabilities, that is, financing the privatization process with the so-called "new currencies." Up until now the only currencies for privatization purposes were the net and recognized debts with the federal government or its enterprises, as long as they were endorsed by the government. The government will shortly propose to Congress new privatization currencies obtained from the 1986 Compulsory Loan on the purchase of vehicles and gasoline, which must be returned in cash as was ruled by the Supreme Federal Court. With this we will have some $1.2 billion available within a very short term from loans on vehicle purchases, and more than $5.5 billion in the medium term from the compulsory loan on fuel purchases. Another huge liability is the Compensation Fund for Salary Variations (FCSV), which has a valid accumulated debt with the Housing Finance System (SFH) estimated at $11 billion, which is the federal government's responsibility. The FCSV debts with the Severance Pay Fund (FGTS) may also, in the future, be used to buy shares as long as the FGTS is reorganized to spare the national Treasury, that is, the taxpayers, the burden of a portfolio of shares.

It is essential to bear in mind that the equilibrium in public finances which will be sought through the measures I have just described—budget revision, constitutional reform, and privatization—is a necessary condition, though not sufficient, to guarantee price stability in the first half of 1994.

The degree of indexation of the economy is still high. This obviously reduces the efficiency of any stabilization effort based only on fiscal and monetary austerity. In fact, the countless indexation attempts that were implemented in recent years failed because of a lack of efficient action on the fiscal and monetary factors of macroeconomic equilibrium, encouraging economic agents' disbelief in the possibility of the success of such measures, in the absence of changes in the fiscal regime.

There are efficient deregulation alternatives. Yet the important thing is that stabilization of the economy, with a low inflation rate, depends on the prospects for attaining sustained fiscal balance.

Messrs Senators:

Based on everything I have said, there should be no doubts about the type of strategy to be adopted for Brazil to overcome its difficulties.

I reiterate what I have said: Our economy has made the necessary adjustments to resume growth; the imbalance lies in public finances. The inflation rate is today a consequence of that imbalance which, in turn, reflects a major distribution conflict.

Behind the fiscal crisis and behind inflation, there is a "crisis of the state" in global political terms: a crisis of a state that maintains big social imbalances because of its inability to implement programs to overcome misery; a crisis of a system that has helped preserve until today a power system that benefits backward regional oligarchies, which have used either subsidies or corruption—or both—to maintain regional power and guarantee their national political support.

Emerging economic and social domination groups in southern and southeastern Brazil also want this fragile state. With market rhetoric, such groups got rid of the obligation to rebuild the state and to contribute—through the fiscal and tax reforms, and above all through political reform—to the renewal of the country.

A very high price is being paid for the vicious political dynamics prevailing in Brazil in which the executive and legislative branches are engaged. The need to satisfy the various ambitions of several sectors has delayed the resolution of key issues in the national crisis. Uncontrolled opportunist bureaucracy has become the main instrument of this policy of accommodation. In order to achieve lasting stability for the Brazilian economy, it is vital to change the terms of this process. In fact, the lack of control over public accounts is not a result of chance, but a consequence of the way in which power has been built in the current political system.

One can therefore see that opportunist bureaucracy is linked with inflation. It prevents the recuperation of government-granted credit, prevents the creation of a sustainable fiscal situation, and keeps state financing dependent on inflationary taxes.

Based on all this, inflation is no longer a challenge for the economy but for society. Without the will to take action at the very root of the problems of the state and of society, there will be no solution for the inflationary crisis. No matter what the government spending cuts (the government has enforced major cuts), and no matter what the proposals for administrative reform, frustration will be inevitable. Without the support of Congress and of society, and without the engagement of all government sectors, anti-inflationary technicalities will become illusions that are bound to fail.

The finance minister and his advisers reject the path of easy measures: shocks, packages, gaudy plans. This has given rise to the idea that we have no "plan." There is a plan: Either the budget is redone and the guidelines for a new Brazil are designed through the reform of the Constitution, or the "plan" will operate like anesthesia which is not followed by any surgery.

The government economic team does not lack capacity and willingness. There are technical alternatives for "stopping" inflation. Purely economic conditions are even good for that: The economy has recuperated without too much heating, enterprises have liquidity and have been adjusted. At this time there is not even any strike in the private sector. Despite the opening of the eoncomy and the increase in imports, we continue to produce and expand our internal market for domestic products. Agricultural production is significant, and next season's sowing expenses have been properly financed.

The country's situation is also comfortable on the external front. Thanks to our foreign capital, we were able to maintain significant international reserve levels throughout 1992 and 1993. Today these reserves stand at around $27 billion.

Negotiations with our foreign creditors are very close to concluding satisfactorily. Last week the Senate plenum approved the conditions for an agreement on the Brazilian debt of $35 billion with private creditors. We hope that an agreement with private banks will be closed—the established deadline is the end of next February—by the time an understanding with the IMF on the approval of the "standby" agreement is reached.

These agreements will be very important to ensuring our sustainable development. Today there are again international credit offers. Brazil is getting ready to benefit from the availability of these resources.

There is not much more that has to be done, therefore, to stabilize our currency and achieve sustainable economic growth. But we need something essential. We need to approve and implement a balanced budget, a budget that can be considered the starting line for an end to waste, patronage, and corruption. It is necessary for the country to have the political willingness to implement deep reforms, starting with establishing a clear definition of the state that we want to have and how to finance it.

It does not serve any purpose to superficially resolve these questions. It is true that the increase in public spending in social areas was necessary. But we do not have money to adequately assist people in the areas of health, social security, and education. It does not serve any purpose, for instance, to obligate spending on health—adding another burden on the budget—without providing the financing to defray those obligations. On the other hand, we have seen clear signals that society is not willing to pay much more taxes, and people have doubts about the use we make of their tax money.

It is then necessary to redefine the state, eliminate linked expenses, and redistribute the tasks and resources among the three levels of administration better. It will be necessary to decide what priority spending on health will have.

Not to face these questions is hypocritical and unrealistic, representing the mere willingness to criticize without taking responsibility for needed actions. The same thing can be said about public employees. Either we streamline the bureaucracy or we institutionalize the neglect of public employees; it is not enough to suppose that better salaries will solve everything. We cannot continue working with a mass of badly trained and badly paid employees who produce little, when we need competent workers for a good implementation of government functions.

We will have a true administrative reform only when we establish defined careers with serious resources and full time jobs, good salaries without absurd bonuses, and stability without depriving the administration of flexibility. All this depends on constitutional reform, and it requires firmness to avoid having corporative interests swallow up the urgent task of reorganizing the state.

Finally I cannot avoid noting, honorable senators, in this brief reflection on the issues that need reform, that we need to remove the obstacles in the path to an open and dynamic market. We must eliminate unnecessary monopolies, defining with more clarity what is strategic for society's interests and what must continue to be a state monopoly. We must also define those areas which had strategic importance in the past and continue to have strategic importance in present day Brazil.

For this government the privatization policy is not an ideological matter. This reflects a historial situation in which the state lost a great deal of its ability to invest, and needs to recover it for the development of the sectors in which its presence cannot be replaced.

This is therefore the time for real decisions, crucial decisions. And there are choices. The federal government will give an opinion on the appropriate matters for constitutional revision. We will not remain indifferent. If Congress makes no progress on the tax and fiscal reforms, we will be working on the reformulation of the 1994 budget with the purpose of achieving a balance in the public accounts.

If it is not possible to introduce reforms into the Constitution so as to be able to change substantially the 1994 budget, we will propose emergency measures that would allow us to reach the desired equilibrium, but always along the lines of what has previously been said, without the idea of confusing the country with a last-minute package.

As I said, the president of the Republic will submit the 1994 budget proposal during the third week in November. Once this proposal has been approved, with the public deficit contained, with appropriate changes introduced by Congress, and once the national will for change in the constitutional reform has been defined, I can assure you that we will have the necessary conditions for the desired monetary stability.

In this manner, and considering the availability of financing and investment at the international level, we can foresee a new era for Brazil. An era with economic growth on a more equal basis, with sustainable development, and above all an era capable of alleviating misery, and of taking care at better levels of consumption the needs of the less favored sectors.

This is what is at stake. When some people, for example, distort the question of privatization (as if state control would protect public interests and contribute to the well-being of the population, and not as has happened many times, when it only served the complicity of corporative, business, and political interests), the government finds itself incapable of acting at the social level to fight hunger and misery.

A state paralyzed by debt cannot be a state of social well-being. A state held prisoner by the need to issue more bonds in the market to finance its routine activities cannot also be a state capable of defending the interests of the population. A state engulfed in the interests of the regional oligarchies and of the emerging plutocracies will never be compatible with the type of democracy and development we want for Brazil.

It is, therefore, in order to have a Brazil with a new face, a dignified Brazil able to fight misery and to provide better living conditions for all, that I am never tired of repeating: Let us put public finances in order, let us seek balanced budgets, let us keep reasonable rates of economic growth, let us break once and for all with this republic of accommodation and corruption in order to strengthen our currency.

The search for a strong currency is not the imperative of any orthodox belief. It is the necessary condition for putting an end to inequalities and the concentration of income. Either Brazil puts an end to the "money of the poor"—not indexed—and the "money of the rich," which is defended by the indexed financial assets, or it will never put an end to the social injustice and misery which feed, to the shame of all, those who benefit from corruption.

Thank you very much.

Treasury Hopes To Save $500 Million by Blocking Budget

PY0511232393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Nov 93 Section 1 p 12

[Text] The National Treasury hopes to save about $500 million in current and capital expenditures by blocking this year's November and December budget. Of the $1.5 billion that the Treasury has available for current and capital expenditures for this two-month period, $1 billion alone would be released.

With the exception of the Health and Social Security Ministries, all other ministries would be hit by the cuts in expenditures. Current expenditures range from water and telephone bills, which guarantee the maintenance of the administrative apparatus, to the purchase of seeds and lime by the Agriculture Ministry.

This contingency measure was the alternative discovered by the economic team to attempt to close the year with a primary surplus (revenues minus expenditures) as determined by President Itamar Franco.

Instead of the 42 percent initially earmarked, only 25 percent of the total funds allocated for November and December will be released for this two-month period. The remaining 17 percent will only be transferred in early 1994.

National Treasury Secretary Murilo Portugal believes it is possible to close this year's Treasury budget with a primary surplus on the order of $2 to $3 billion. According to Portugal, the Treasury's primary surplus after the first nine months of this year already totals about $3 billion.

Portugal added that he hopes it will not be necessary to issue bonds to pay federal officials in 1993.

Using an operational concept (revenues minus expenditures plus domestic and foreign debt interests), the Treasury has accumulated a 984.6 billion cruzeiro deficit so far this year.

In addition, for the payment of domestic and foreign debt services alone, the Treasury will have to disburse about $6 billion this year.

Petrobras Officials Seek To Avoid Investment Cuts

PY0811120993 Rio de Janeiro O GLOBO in Portuguese 2 Nov 93 p 21

[Article by Ramona Ordonez]

[Text] If the government cuts the 1994 Petrobras [Brazilian Petroleum Corporation] investment budget by 52 percent, the company will lose $400 million. This is the cost of compensations and fines that will result from canceling obligations already assumed by the company. Besides an economic loss, the cut will also mean reducing oil production by 160,000 barrels per day, a significant drop from the current 700,000 barrels per day.

Petrobras asked for a ceiling of $3.7 billion for 1994 but the Finance Ministry will only grant $1.7 billion. Petrobras planning experts have stated that if the Finance Ministry proposal sticks the company will virtually grind to a halt while spending will climb to $2.1 billion because of fines and compensations.

The 1994 budget proposal for Petrobras—with the projected cuts—has been sent to Congress where deputies added a few amendments, but the proposal returned to the Finance Ministry for further revision following the budget scandal now being investigated by the CPI [Congressional Investigating Committee]. Petrobras officials are preparing documents to show the negative impact that the cuts will have on the company and the economy.

Petrobras directors are concerned about the cut because next year's commitments total about $1.9 billion.

Petrobras Chairman Joel Mendes Renno is trying to convince Finance Minister Fernando Henrique Cardoso to reduce the projected investment cuts. Without these new projects, oil production will drop due to the natural depletion of wells. Petrobras experts believe next year's production will drop to 540,000 barrels of oil per day if new wells do not become operational.

Among the most important projects affected by the cuts are the Marlim, Albacora, and Barracuda wells in the Campos Basin, which represent 100,000 barrels per day of additional production. The project to build a multiple pipeline to transport gasoline from Sao Paulo to Brasilia is also at risk because of the projected cuts. This project will create 20,000 direct and indirect jobs.

Petrobras investments totalled $2.2 billion this year. Earlier in the week the Petrobras Engineers Association (Aepet) sent a proposal to President Itamar Franco and the government economic team explaining how to increase investments without raising gasoline prices. The proposal states that it is possible to raise company revenues to $4 billion by altering the price structure of gasoline.

Paraiba Governor Shoots Predecessor

PY0611170793 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 5 Nov 93

[Text] Federal Police agents this afternoon arrested Paraiba Governor Ronaldo Cunha Lima, two hours after he fired three shots at former Governor Tarciso Burity, at a restaurant in Joao Pessoa.

According to State Deputy Roberto Burity, nephew of Tarciso Burity, Cunha Lima arrived at the restaurant brandishing a revolver and saying "I was looking for you." He fired, hitting his target twice. One of the bullets hit Burity in the jaw and the other lodged in his heart.

The former governor was operated on at Samaritano hospital, where he is currently undergoing treatment in the intensive care unit. He is out of danger.

State Attorney General (Eitel Pereira de Britto) has said that this homicide attempt is barbarian. He asked the Federal Police to take all necessary measures, and this led to the arrest of Cunha Lima, who should be interrogated any time.

During the incident, Professor Burity was accompanied by Federal Deputy Evaldo Goncalves, State Deputy Roberto Burity, and former State Deputy (Manoel Gaudincio).

Army Initiates Strategy To Fight Rio Drug, Arms Trafficking

PY0611200593 Rio de Janeiro O GLOBO in Portuguese 4 Nov 93 p 20

[Report by Gustavo Goulart]

[Text] On 3 November the Brazilian Army began to isolate the Roquete Pinto shantytown in the Complexo da Mare area in Rio de Janeiro, the objective being to prevent drug trafficking and the sale of large caliber weaponry in the area. For approximately one week troops from the 24th Armored Infantry Battalion [BIB] have been working on setting up barricades in the bay, in front of the bayside shacks built on piles through which the police claim most of the drugs and arms come into the shantytown. The soldiers have set up a 100-meter line of floating drums right in front of the shacks, and are now building a deck on which a sentry booth will be built. The military thus expect to have total control over the movement of boats in the area. The owners of the boats will have to obtain a permit from the battalion's headquarters to dock at the shacks.

The Army operation to break up drug trafficking in the shantytown, which is located within the 24th BIB's security perimeter, received help from another quarter during the evening of 2 November: Severino Marinho da Silva, aka Raminho, 26, the former drug boss in the Roquete Pinto shantytown, was arrested by accident late at night on 2 November.

Two policemen from the 22d Military Police Batallion (Benfica District) arrested Da Silva, who was drugged, unarmed, and had sustained several wounds, near Bob's fast food shop on Brasil Avenue. The police had been looking for Da Silva, who is accused of having murdered federal and military policemen and of having shot a soldier from the 24th BIB about a month ago.

The trafficker was fleeing from a rival gang from the Ramos shantytown. Without knowing at first who he was, the military policemen at first believed they were arresting a car thief, because in his attempt to escape Da Silva got inside a Fiat driven by a couple of lovers. The bandit, however, was identified soon enough, because the very gang that was after him—made up of youngsters between the ages of 14 and 17—told the military policemen who he was.

Government To Send Troops To Join UN Forces in Mozambique

PY0711013493 Madrid EFE in Spanish 1700 GMT 6 Nov 93

[Text] Rio de Janeiro, 6 Nov (EFE)—The Brazilian Government announced today its decision to form part of the UN peacekeeping forces in the Portuguese colony of Mozambique, sending a contingent of 850 men.

According to Foreign Minister Celso Amorim, President Itamar Franco, in view of this, has requested that Congress issue the proper authorization.

Amorim explained that as a member of the United Nations Brazil must assume an active position in the processes of multilateral supervision.

The Brazilians will be part of the multinational force overseeing the Mozambican democratic process leading to elections in 1994. The Brazilian troops will remain in Mozambique for one year.

Chile

Aylwin Views Issues Discussed With Germany's Weizsaecker

PY0511140693 Santiago Radio Cooperativa Network in Spanish 1000 GMT 5 Nov 93

[Excerpt] German President Richard Von Weizsaecker did not want to elaborate on the Colonia Dignidad problem. He said he would not discuss events that are being handled by the courts.

Von Weizsaecker and Chilean President Patricio Aylwin held a news conference at La Moneda Palace [on 4 November]. Aylwin summarized his discussions with his German visitor.

[Begin recording] We exchanged opinions on bilateral relations, on German cooperation with Chile, on world issues, on progress in the trade integration and deregulation processes in Latin America, and on concern among Latin American countries over protectionism by the industrialized world and the EEC. We received confirmation of Germany's frank and clear stance favoring free trade. [end recording] [passage omitted]

Weizsaecker Thanks Aylwin

AU0611160193 Berlin DIE WELT in German 5 Nov 93 p 2

[Unattributed report: "Germans Reject Violence"]

[Text] Bonn/Santiago—During his six-day visit to Chile, President Richard von Weizsaecker paid tribute to the decision of the Chilean authorities to grant asylum to ex-SED [Socialist Unity party of Germany] chief Erich Honecker. He had thanked Chile's President Patricio Aylwin for the "noble gesture," von Weizsaecker told the newspaper LA TERCERA. Honecker is a "very old and very sick man." Therefore, it is better not to talk about this topic at the moment. Honecker (81) has been in exile in Chile—together with his wife Margot—since 14 January.

Von Weizsaecker's speech at the German-Chilean Society in Santiago attracted much attention. "Germany will not tolerate xenophobic acts of violence but will struggle against them," the president said yesterday. However, this is not only a task of politicians and the authorities. The citizens themselves must oppose violence. He expressed understanding for concerns about rising violence in Germany. During the time of the military dictatorship in Chile, thousands lived in exile in both parts of Germany. Xenophobic violence, which is demonstrated in particular by "some young people from eastern Germany," is, however, not accepted by the majority of Germans. Hundreds of thousands have demonstrated solidarity with foreign fellow-citizens "in the streets."

Later on, von Weizsaecker, who will go to Ecuador tomorrow, followed in the tracks of German immigrants. The first ones came to southern Chile 150 years ago. He visited the immigration museum Frutillar at Llanquihu Lake. Aylwin: "The immigrants contributed their share to shaping Chile."

Spokesman Denies President's Statement

AU0811092793 Munich SUEDDEUTSCHE ZEITUNG in German 6 Nov 93 p 7

["mes"-signed report: "Weizsaecker: Newspaper Report Was Wrong"]

[Text] Puerto Varas—A report by the right-wing Chilean tabloid LA TERCERA that President Richard von Weizsaecker explicitly praised the acceptance of the former GDR state and party leader Erich Honecker in Chile as a "noble gesture" in an interview with the paper, was rejected as wrong by a spokesman of the president. He also stated that Weizsaecker did not grant an interview to this paper.

During a visit to a German school in Frutillar in southern Chile, Weizsaecker explicitly paid tribute to the role of the ethnic Germans in Chile for the good relations between Chile and the FRG. The president told about 1,000 people that he conveys "cordial greetings from the old home." Weizsaecker added that he is proud of the achievements that the compatriots living in Chile have accomplished for the relationship between the two states. They are "doing honor to the German name" and helping establish the good reputation that Germany enjoys in Chile.

Weizsaecker, who was given an enthusiastic welcome by the ethnic Germans in the south of the country, concluded his political talks with the Chilean state leadership on Friday [5 November]. He assumed no new position on the case of Honecker, who is living in Santiago. In fact, as became known, Honecker was briefly discussed during the meeting with Chilean President Patricio Aylwin. However, the German side did not say anything new on this topic.

At a joint news conference with Aylwin, Weizsaecker, when asked about Honecker, repeated the wording he had used on previous occasions: Germany is "grateful to Chile for the humanitarian treatment of this issue that is in conformity with the rule of law." Weizsaecker declined any further comment, stating that the courts had concluded the case.

Colombia

Senate Vice President Shot, Seriously Wounded

PA0511143493 Paris AFP in Spanish 1335 GMT 5 Nov 93

[Text] Medellin, Colombia, 5 Nov (AFP)—The Emisoras Caracol Network has reported that the vice president of the Colombian Senate, Dario Londono, today was the victim of an attack by three people who shot him at point-blank range as he was leaving Medellin University, where he teaches some classes.

Londono, of the governing Liberal Party, was very seriously wounded. The same is true for one of the two bodyguards accompanying him, according to eyewitnesses.

Senator in Critical Condition

PA0511194893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 5 Nov 93

[From the "National" newscast]

[Excerpts] Senator Dario Londono is fighting for his life. This morning Londono was attacked at Medellin University. He was shot several times and remains in critical condition. Diego Alonso Sanchez in Medellin will give us the latest medical report.

[Begin recording] [Sanchez] The Medellin Clinic has just issued the latest official report. Senator Dario Londono is still on the critical list. We will have to wait 48 to 72 hours to see how he recovers from his wounds. Three young men and a young woman overpowered and machine gunned a guard in the law school parking lot. Here is a student to tell us what happened this morning at Medellin University.

[Unidentified student] We heard some shots, then we saw that the senator had been attacked. We went to help him. The individuals continued firing shots in the air or in our direction, we're not sure. We put Londono in a vehicle to take him to an emergency ward.

[Sanchez] The Senate's second vice president was taken to the Medellin Clinic with serious wounds to his face, head, arm, and forearm. He was operated on at 1015. Jose Jesus Santana, the senator's driver, was shot twice and is in intensive care at another hospital. [end recording]

According to radio reports, a new group called Death to the Protectors of the Cali Cartel [Muerte a los Protectores del Cartel de Cali] has claimed responsibility for the attack. The information is confusing, however, as there are conflicting reports going around. Some say a group called the Northerners [Los Nortenos] reportedly had made threatening telephone calls this morning to the Senate secretariat and to several legislators from Antioquia who were told they were next on the list.

Who would be interested in attacking Senator Londono? We went over the records of his activities in Congress and found that he played a leading role in several of the most stirring debates. [passage omitted]

Here is what Government Minister Fabio Villegas said:

[Begin Villegas recording] At this difficult time for Colombia's institutional life and for the Congress of the Republic, I would like to call on the solidarity of Congress and of the whole nation so we do not surrender to those who think that actions like these can intimidate the nation. [end recording] [passage omitted].

ELN Claims Responsibility

PA0611022393 Mexico City NOTIMEX in Spanish 0125 GMT 6 Nov 93

[Text] Santa Fe de Bogota, 5 Nov (NOTIMEX)—The rebel Army of National Liberation (ELN) today claimed responsibility for the attack on Senate Vice President Dario Londono Carmona, who was shot in northwestern Medellin. "Our urban units are responsible for the attack on the senator of the ruling Liberal Party," the ELN stated in a communique released tonight.

The faction of the Simon Bolivar National Guerrilla Coordinating Board (CGSB) indicated that the attack on Londono Carmona, whose condition is serious following the emergency surgery he underwent, forms part of Operation "Colombia Without Corrupters."

The rebel group said in the communique that the action against the legislator was carried out "because he supports and promotes a law to regulate some emergency decrees that grant powers to the Armed Forces and the government to fight the guerrillas."

Londono participated in the approval of the new penal code which established the reduction of sentences and parole for criminals who surrender to justice and cooperate with the authorities in locating other drug traffickers. According to Prosecutor General's Office sources, the document passed by Congress on Tuesday [3 November] opens the possibility of the massive surrender of Cali Cartel members.

Londono was the victim of an attack today by alleged members of the Medellin Cartel as he left the Medellin university with his driver and several bodyguards after teaching classes there.

Doctors at the clinic in Medellin where he is being treated said tonight that his condition is stable although with a guarded prognosis following six hours of surgery. The medical report stated that the legislator "has a gunshot wound to the head which caused a cerebral laceration, and hand and right shoulder fractures, all of which keep the patient in critical condition."

In a telephone call to a local radio station this morning, an individual who identified himself as a member of an organization called "Death to the Protectors of the Cali Cartel" claimed responsibility for the attack.

Security Heightened After Attack

PA0611200293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1823 GMT 6 Nov 93

[From the "NTC" newscast]

[Text] Amid the current atmosphere of violence, security measures for political candidates have been heightened. The government is determined to prevent subversives from hindering the electoral process.

Security for candidates will henceforth be patterned after a new strategy. The police and intelligence organizations are recommending that politicians observe the following advice to the letter. If participating in events at a public plaza, candidates are prohibited from raising their arms to increase protection of their abdomens from bullets in case of an attack. There will be no armed policemen in their entourages. [sentence as heard] Departures from political party headquarters will be disclosed only to bodyguards one minute before departure time, and all routes will be secret. Also, only three people will be informed of these routes—the candidate, the chief bodyguard, and a DAS [Administrative Department of Security] liaison commander.

As of next week, several presidential candidates will travel in armored vehicles equipped with special antibomb systems that muffle shock waves and prevent vehicles from being destroyed. Presidential candidates Retired General Miguel Maza Marquez and Humberto de la Calle Lombana made brief comments.

[Begin recording] [Maza] Paid assassins have taken note that to get past bullet-proof vests they must attack people's brains.

[De la Calle] I believe the situation is risky, and it is necessary to create a climate that will be truly conducive to the Colombian people's freedom of expression. [end recording]

Londono Dies

PA0711143793 Paris AFP in Spanish 1357 GMT 7 Nov 93

[Excerpt] Medellin, Colombia, 7 Nov (AFP)—Dario Londono Carmona, 45, vice president of the Colombian Senate, died here today as a result of gunshot wounds to the head sustained in Friday's attack, according to the Medellin Clinic, where Londono was in intensive care. Londono died after undergoing a delicate operation which lasted more than six hours.

Londono Carmona, who was single and had served several terms as a legislator for his native Medellin, was attacked by a group of alleged members of the Army of National Liberation (Guevarist ELN) just after teaching a class at the local university, where he graduated as an attorney. [passage omitted on background material]

Gaviria To Attend Senator's Funeral

PA0711195793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 7 Nov 93

[Report by Patricia Guibe from the Narino Presidential Palace; from the "NTC News" newscast—live relay]

[Text] President Cesar Gaviria Trujillo has just issued a condolence decree honoring the life and work of Liberal Party Senator Dario Londono Cardona who died a few hours ago after being attacked in Medellin. The decree states that it honors the memory of Honorable Senator Dario Londono Cardona. It also highlights his great merits, his life, and his work, and it says his work is an example for future generations. It has been learned that the president will travel to Medellin tomorrow at about 1600 [2100 GMT] to attend the funeral services.

Socialist Renewal Movement Regrets Killing

PA0811173293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 8 Nov 93

[From "Caracol's 0600 to 0900" newscast]

[Text] The Socialist Renewal Movement has expressed regret over the death of Senator Dario Londono Cardona, adding that the government cannot allow the current wave of violence to continue in national territory.

Government Offers Reward To Locate Senator's Attackers

PA0811152493 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 7 Nov 93

[From "Caracol's 0600 to 0900" newscast]

[Text] Santa Fe de Bogota—The Colombian Government has offered a multimillion-peso reward as part of its efforts to locate the masterminds and actual attackers of Antioquia Department Senator Dario Londono Cardona.

Fernando Britto Ruiz, director of the Administrative Department of Security, DAS, said the executive branch will pay 500 million pesos to whoever identifies those responsible for the criminal attack and the criminal organization to which they belong. The official said secret mechanisms have already been established to pay the reward, and, if so desired, informants may also be guarded under the witness protection program.

Mr. Britto Ruiz says Senate Vice President Londono had always been reluctant to accept protection from the authorities, and he added that there is no official information concerning death theats made to Londono or his aides. The DAS director, who said no arrests have been made in connection with the attack, reported that composite sketches, as well as the fingerprints found on the vehicle used by the hired assassins, are being compared with criminal records compiled by intelligence organizations.

Prosecutor General on Military-Cartel Ties, Senator's Death

PA0811030093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 6 Nov 93

[Interview with Prosecutor General Gustavo De Greiff by "NTC News" reporter Carolina Sanchez—live]

[Text] [Sanchez] We are here at Rosario University, where more than 700 former students are meeting to discuss and prepare a proposal for the recovery of social coexistence. We are here with Prosecutor General Gustavo de Greiff to talk about certain recent events. Dr. de Greiff, what was your reaction to the news about the attack on Senator Dario Londono?

[De Greiff] I was sad and angry. It is incredible how we have reached such vile extremes. We must react, and this meeting will strive to achieve precisely that, meaning to react against the state of things.

[Sanchez] We have learned about the emergence of a new terrorist group, Death to the Cartel Protectors [Muerte a Productores del Cartel de Cali, Muproca]. It is a reaction to the Penal Procedures Code reform approved by Congress. What do you know about this?

[De Greiff] Well, that has yet to be established. People are simply trying to exploit the situation or someone carried out an action with that intention. No theory has been ruled out, but I think it is mere speculation. We must wait for the results of a serious, calm, persistent, and efficient investigation.

[Sanchez] Have you received any threats recently?

[De Greiff] No, I have not been threatened, and I wouldn't care even if I had been.

[Sanchez] Dr. de Greiff, we have recent information on the participation of some Cali Cartel members in the Rio Frio massacre with the cooperation of military forces. What is you opinion about these ties between drug traffickers and the Army?

[De Greiff] That would be repugnant and monstruous. I think....[pause] I hope the investigation yields negative results in that sense, because—I repeat—it would be degrading for society if it were true. I trust it will not be so, and the investigations have yet to show any ties.

[Sanchez] The Attorney General gave the name Francisco Herrera. What does the prosecutor general know about this man, whose alias is Banana? Does you have any clues?

[De Greiff] No, that is still under investigation, and I would rather not comment so as not to hamper the investigation.

[Sanchez] Lastly, Mr. de Greiff, what is your proposal for social coexistence?

[De Greiff] I think we should go back to the values of the Holy Rosary: love of country, selfless service to it, a conviction that the important things are not economic material assets but spiritual values and disinterested service to our neighbor.

[Sanchez] Thank you, Mr. Prosecutor General, for your comments.

President Launches Anticrime Program, Views Londono Attack

PA0711044393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Nov 93

[From the "24 Hours" newscast]

[Text] While President Cesar Gaviria launched the second phase of the Security for the People [Seguridad para la Gente] program in Santa Fe de Bogota, a group of hired assassins made an attempt on the life of Senator Londono Cardona in Medellin. Alvaro Ayala has this report.

[Ayala] At this hour state security organizations do not know which criminal organization attacked Sen. Dario Londono Cardona, but some anonymous calls to the media have reported that this act marks the emergence of a criminal group created to attack congressmen who allegedly worked for the Cali Cartel. So far no authority has confirmed the existence of this new criminal group.

As the congressman was undergoing surgery in a Medellin hospital, President Gaviria was here in Santa Fe de Bogota launching the second phase of the national strategy against violence called Security for the People.

[Begin recording] [Gaviria] Sen. Londono has emerged as one of the strongest defenders of democratic principles, the basic rights of citizens, peaceful coexistence, and the defense of society against all insane forms of violence, always assuming risks with valor.

[Justice Minister Andres Gonzalez] Concerning the Code and all laws, they are aimed at defeating crime. [end recording]

[Ayala] This footage was taken yesterday when Sen. Londono appeared before the commission responsible for writing the draft bill on citizens' coexistence.

Presidential Hopeful, Ministers React to Attack on Senator

PA0711132393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Nov 93

[From the "24 Hours" newscast]

[Text] We have reaction to the attack against Senator Dario Londono. Here is Liliana Gutierrez with a report.

[Begin recording] [Gutierrez] What may be behind this attack, Dr. Samper?

[Liberal Party presidential candidate Ernesto Samper] I do not know the motives behind the attack, but I hope the government investigates it efficiently. I also hope the government minister convenes a meeting of all parties and movements next week to seriously analyze personal protection measures for presidential hopefuls.

[Government Minister Fabio Villegas] The best tribute we can pay to Dario at this time is to unite all of the Colombian people behind legitimate institutions with one goal in mind—namely, to defeat violence.

[Defense Minister Rafael Pardo] I do not think it would be appropriate to give importance, significance, or status to a criminal group that does not deserve the same. Authorities are working hard to investigate this crime and attack. We hope we can obtain results through the judicial proceedings and investigation, but we do not want to analyze or give importance to any criminal group.

[Justice Minister Andres Gonzalez] I absolutely reject and express indignation over this barbarian and absurd action. I call on all decent people to unite to defeat violent elements. [end recording]

FARC Ambush Kills Seven Soldiers in La Uribe

PA0711204693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 7 Nov 93

[From the "NTC News" newscast]

[Text] Seven soldiers were massacred near La Uribe in a FARC [Revolutionary Armed Forces of Colombia] ambush. Diego Hernan Canal from "NTC News" is on the scene:

[Canal] The ambush took place 7 km from La Uribe, the soldiers' destination. The 12 soldiers in charge of guiding the patrol were fired upon. There was a total of 54 members of the (Alvan) Battalion Corps of Engineers. Their mission was to transport equipment to repair an air landing strip in La Uribe, which has a history as a refuge for FARC guerrillas.

[Begin Army 4th Division Commander General Ramon Nieblees Uscategui recording] Despite this treacherous ambush of our soldiers, who were working for the benefit of the community, we will continue this work. The FARC will never be able to keep us from working for the benefit of the Colombian people. [end recording]

The soldiers were attacked by 60 guerrillas armed with grenades and G3, AK-47, and Galil rifles. The guerrillas had mined part of the road in addition to the actual ambush site, but the explosives did not go off, which prevented the bloody attack from being worse. The guerrillas had enough time to take the dead soldiers' rifles and ammunition. According to the survivors, some of the guerrillas were wounded.

The Army is now searching intensely for the guerrilla column that carried out this attack.

New Escobar Search Bloc Commander To Be Appointed

PA0811140093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 7 Nov 93

[Text] Lieutenant Colonel Alonso Arango, former Dijin [Directorate of Judicial Police and Investigations] deputy director, will be appointed commander of the Pablo Escobar Gaviria Search Bloc in Medellin. It has been reported that he is in Medellin coordinating the Search Bloc's operations and that he will assume command of the group in late December. The current Dijin commander, Col. Hugo Martinez Poveda, will start taking courses in January to be promoted to the rank of brigadier general.

Arango, who stopped serving as Dijin deputy director in October, had been accused by Miguel Rodriguez Orejuela [prominent businessman, whose brother Gilberto is linked to the Cali Cartel] of altering a document of the Robledo III Operation. Rodriguez Orejuela learned of this alteration from Guillermo Villa Alzate, the former prosecutor for the supervision of judicial officials, through a monitored telephone call.

Officials Searching for Released Venezuelan Drug Trafficker

PA0811143693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 7 Nov 93

[From "Caracol's 0600 to 0900" newscast]

[Text] Santa Fe de Bogota—Fernando Britto Ruiz, director of the Administrative Department of Security, DAS, said that despite the fact that there is no hard evidence to prove Venezuelan drug trafficker Larry Tovar Acuna, who was mistakenly pardoned by the Venezuelan Government, is in Colombia, authorities are carrying out an operation to track him down. Britto admitted it was possible that Tovar could possess false Colombian citizenship documents and might not have been arrested if he crossed the border on foot or in one of many vehicles that arrive daily in Colombian territory. Britto said there are many routes by which Tovar could have entered Colombia. Despite the fact that there exists no hard evidence to indicate Tovar is in the country, we have a responsibility to search for him, underscored Mr. Britto Ruiz.

Foreign Minister Urged To Respond to Human Rights Charges

PA0611192493 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 31 Oct 93, pp 1, 7

[Text] The international community is using information on human rights violations in Colombia as part of a strategy to condition investments in our country. This is why the national government, through the Foreign Ministry, must adopt a "vigorous strategy for the country's foreign policy to effectively respond to this kind of questioning."

This is the spirit of a letter sent by Attorney General Carlos Gustavo Arrieta Padilla to Foreign Minister Noemi Sanin de Rubio, advising her of the abuse of information regarding violence in Colombia.

At a moment in which there is heated debate regarding Colombia's international relations because of the reestablishment of permanent ties to Cuba, the attorney general points out what is happening abroad at the country's expense. In his letter, Arrieta Padilla makes reference to the draft bill approved by the U.S. Senate to oversee foreign operations for fiscal 1994.

"The bill approved includes a clause for special requirements regarding notification for the disbursement of foreign aid for those countries with problems of human rights violations, among which Colombia was included," said the attorney general. He added that "among the reasons for listing Colombia in the list of countries for which special procedures are required are the continuous human rights abuses registered in this country."

Arrieta Padilla says that the international community's opinion often criticizes the human rights violations in our country, to the point that the issue has become "a precondition for international cooperation and trade."

The long letter sent by the attorney general to Foreign Minister Noemi Sanin, with copies to the defense minister, the prosecutor general, the defender of the people, and the presidential adviser for the promotion and defense of human rights, has attached the text of the draft bill that was approved by the U.S. Senate. The Senate bill, which expressly refers to the case of Colombia, has been thoroughly analyzed by the Lawyers Committee for Human Rights.

This international organization included a chapter on Colombia in its criticism of the State Department's Human Rights Report. "The main criticism is based on the fact that the department's report primarily blames human rights abuses in our country on private groups and compares the government's violations to the violence of guerrillas and drug traffickers. In the opinion of the committee, this comparison paints the state's culpability in a more favorable light," said the attorney general.

In this way, Arrieta Padilla said the report from the Human Rights Committee disagrees with the State Department document—a document which the committee believes should point to the state as the main violence-generating factor in Colombia. The organization asserts, in contradicting the U.S. Senate, that "by error, it attributes the majority of violent actions to private individuals and not to the state's agents or groups allied to them."

The document from the committee also questions the reports and statistics on violations from agencies in charge of monitoring human rights abuses in Colombia. The document highlights political assassinations and suggests that relevant information has been deceitfully manipulated. It mentions the cases of the murder and robbery of Japanese executive Tsuioshi Mokuda and of Judge Myriam Rocio Velez de Lopez.

Foreign Minister, Dominican Republic at Odds Over Inmate

PA0711162393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 Nov 93

[From the "24 Hours" newscast—passages within quotation marks recorded]

[Text] Patricio Abadia Lara, the Dominican Republic Ambassador to Colombia, on 4 November denied human rights are being violated in his country. He also rejected reports that claim Fernando Garcia is being held as a kidnapping victim, as the Colombian Government asserted on 3 November.

[Abadia] "There are no violations of human rights in the Dominican Republic. The legal situation of Colombian inmates will be determined."

With regard to the case of Jose Romero, who allegedly died with his hands tied to a bed after being tortured, the ambassador said these reports are false. He added that it is possible that excessive security measures were applied, and that he died from AIDS.

[Abadia] "Perhaps excessive security measures were adopted to prevent his escape."

Ambassador Abadia said it is almost certain that Fernando Garcia will have to serve other sentences, which is why he has not been released from jail. Here is an interview with Foreign Minister Noemi Sanin by Alvaro Ayala:

[Ayala] "The Dominican Government has said you used non- diplomatic language when complaining about a Colombian inmate in that country."

[Sanin] "I employed available diplomatic mechanisms while using direct language, as I always do. In addition, I described as a kidnapping the retention of a Colombian citizen who has the right to be free based on a decision made by the judicial authorities in the Dominican Republic. Meanwhile, police authorities are depriving him of his freedom. How else can we describe an erroneous, unjustified, and illegal retention of a person? There is no other term. All of this was expressed properly within a diplomatic note."

[Ayala] "Will you reaffirm your position 24 hours after filing that complaint?"

[Sanin] "Of course. We will not give up. We will continue to insist until we obtain the release of our compatriot."

Bilateral Trade Agreement Signed With Chile

PA0711200493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 6 Nov 93

[Text] Colombia and Chile this morning signed an important bilateral trade agreement that will allow the purchase of more than 200 products—including juices, fruits, greatly sought Chilean wines, and automobiles—in our country at lower prices. Likewise, Chile allow the marketing of products such as coffee, cacao, some chemicals, and textiles at lower prices in that country.

[Begin recording] [Chilean economist Jorge Marshal] Colombian consumers will be able to purchase some products, and the ideal thing will be for them not to know whether these products are of Chilean or Colombian origin.

[Colombian Foreign Trade Minister Juan Santos] There will be greater competition, which, in turn, will prevent prices on wine, apples, and other Chilean products from rising at the usual pace. [end recording]

The agreement will be officially signed next month in Santiago de Chile in the presence of the two countries' presidents.

Armed Forces Modernization Plan Outlined

PA0711223893 Santa Fe de Bogota EL TIEMPO in Spanish 31 Oct 93 pp 1A, 18A, 19A

[Report by Clara Elvira Ospina]

[Text] In terms considered moderate for the military but which may be excessively optimistic in the opinion of certain civilians, the Armed Forces expect to have increased their operational capabilities by more than 100 percent within the next five years.

The country will have invested $510 million—approximately 424,320 billion pesos at current exchange rates—on projects that are already under way and scheduled to conclude within five years

The huge government-military plan is directed toward the maximum modernization and technicalization of the Army's, Navy's, and Air Force's currently precarious communications systems. The project will cost $70 million over five years.

The other security plans under way will require investments totalling $431 million: $163 million for the Air Force, $108 million for the Navy, and $160 million for the Army.

Simply put, it is what has been described from the outset of the Gaviria administration as a strategy for strengthening defense.

Although there has been serious criticism of the substantial increase in military spending—especially when compared to decreasing investments in the military apparatuses of other Latin American countries—the Armed Forces believe that counterinsurgency efforts alone will require more than the $510 million already pledged. Thus far the shortage of resources with which to increase the force's fighting strength and acquire weapons has not been considered.

Top commanders believe additional resources will be available to raise the number of troops on combat missions from 20,000 to 50,000 within five years unless there is a massive resurgence of guerrilla activity, which is highly unlikely in a country that has had to coexist for 30 years with subversives.

By then, the Air Force will have doubled the number of aircraft, and the Navy will have considerably increased its fleet of river and sea patrol boats.

Joint teams from the Defense and Finance Ministries, the Armed Forces Command, and National Planning are currently analyzing the Armed Forces' real needs and capabilities.

This year the military forces' five-year plan was once again revised and each force—Army, Navy, and Air Force—made its own projections for the next 10 years. Thus emerged the military forces' 10-year strengthening plan.

Certain government spokesmen believe the military high command's plans are excessively ambitious, and the efficiency of the Army, Navy, and Air Force will probably have to be optimized before endorsing an increase equal to 20 percent per year.

Nevertheless, those same civilians agree, as stated by Military Forces Commander General Ramon Emilio Gil, that only a persistent and serious strengthening strategy will give the country the necessary soldiers and officers corps, logistics infrastructure, and deterrent capability to counter crime.

Therefore, the compromise between what the military requested and what the state was finally able to give is 762.2 billion pesos for next year—including, obviously, the National Police.

In other words, approximately 9 percent of the national budget is invested in defense expenses.

Nevertheless, 663 billion of that percentage represents operational costs ranging from general services to the payment of pensions and salaries.

Ninety eight billion pesos will be invested, and 78 percent of that—76 billion pesos—represents contributions to projects that will cost $510 million in five years.

In sum, only the remaining 22 percent—21 billion pesos—will meet some of the military corps' new expectations.

Currently, only two of the four Army divisions have their own antiguerrilla brigade. The military believes that all divisions will have an antiguerrilla division within two years to support the work carried out by the two mobile brigades and 25 antiguerrilla companies that currently exist.

The Military Forces commander believes this involves a decentralization of the military struggle. "We want to give those division commands some forces, especially antiguerrilla units, with which the Division Command can exert all its jurisdiction and strengthen each of the brigades' units.

Gil added: "The goal is to be able to act quickly in critical situations without having to pull troops from one zone to another—because criminals would return to the first zone sooner or later. We had that problem but we have slowly been able to overcome it."

The military strives to successfully install itself in oil and coal production zones: El Cerrejon, Cusiana, Arauca, and Valledupar—which guerrilla groups consider their new land of opportunity.

Meanwhile, mid-ranking and high-ranking officers have patiently prepared a Complementary Plan, a program that is still secret, to launch antiguerrilla units to Putumayo, Guaviare, Guainia, Vichada, Vaupes, and Amazones. The target is the jungle areas where the Revolutionary Armed Forces of Colombia and the National Liberation Army fill their pockets with profits from drug trafficking.

Like any other corps, however, all the Army's expectations are dependent upon the opportunity to increase and train new forces.

The defense strengthening strategy will double the number of aircraft in the Air Force over the next 10 years. Pilots and rescue and flight support teams will receive training on antiguerrilla activities. According to military sources, improving air combat capability is a priority.

The first step in this direction was the signing of the construction and purchase contracts for a squadron of eight Russian- made MI-8 helicopters that will arrive in the first months of 1994.

This type of aircraft is classified internationally as heavy, having a passenger capacity of 25. The military forces plan to use these ships to transport soldiers, equipment, and supplies, but they could also be used later in combat.

The Armed Forces also signed purchase contracts for five Black Hawk helicopters. They will be available to the brigades in the field before the end of the first quarter of 1994.

Plans for strengthening the Army Air Wing will include the creation of two air combat units, which could begin to operate as support groups (forward combat bases) in the southern and eastern parts of the country in less than two years.

The military could quickly coordinate the deployment of air support missions from Air Force bases to assist antiguerrilla forces and narcotics control personnel working in the southeastern jungles.

The Air Force will also receive several medium-capacity transport planes in less than two years, the characteristics and type of which are still being studied.

There is a wide-scale project directed at creating the National Control Center—a sort of civil aeronautics and military intelligence unit—capable of tracking any aircraft flying over the country. For the time being, however, it is the only project without a specific budget allotment. Detecting overflying aircraft currently depends on radar stations in Araracuara and Leticia and on the Unified Southern Command.

Before the year 2000 the Navy will put new motors in all its gunboats and larger displacement ships.

It will have also strengthened the coast guard system, which began operating at the end of 1992 with four gunboats. In 1994 it will have two armed naval helicopters loaded with rescue equipment. Another two are already operating; one on the Atlantic coast and the other on the Pacific coast.

In addition to the enormous task of controlling the 3,000-km coastline, there is the urgent need to patrol 17,679 km of rivers. A fleet of nine PBR river patrol boats arrived three weeks ago. They are already in operation escorted by piranha gunboats. The Cauca and Magdalena Rivers are priority waterways, as are the Putumayo, Caqueta, Amazon, Orinoco, and Vicada in the south.

A total of nine PBR patrol boats and 51 piranha gunboats will work to control the flow of illegal dynamite, weapons, drugs, and chemical materials.

There are other objectives behind this investment. Guerrillas attacked 10 piranha gunboats last year while they were escorting private cargo vessels.

* Campaign Financing Controls Seen as Necessary

94SM0051A Santa Fe de Bogota EL TIEMPO in Spanish 3 Oct 93 p 7A

[Editorial by Maria T. Ronderos, political editor]

[Text] The recent incident in which three congressmen were expelled from the Samper campaign for holding a public meeting with Evaristo Porras indirectly puts on the table the issue of how important strict control of campaign financing is for democracy.

In the last few years, the discussion has centered on "hot money," undoubtedly the most perverse pitfall for openness in the democratic system, and one that has caused much suffering among those who have tried to avoid it.

In the sphere of campaign financing, however, there are problems of a different nature as well.

First of all, there is the ancient, but still not defeated, practice of illegally allocating public funds to finance campaigns: ranging from the liquor that flows from package stores to spice up political rallies, to the distribution of jobs, scholarships, and even cash money in exchange for votes.

The pressure on the budgets of departments and cities to finance political proselytism is greater than ever today. Now there are no more subsidies (which were another, legal, way of appropriating public funds for private benefit); there are many more elections to finance, and it appears that campaigns are becoming eternal, and therefore extremely costly to run.

No doubt it was for all these reasons that the constituent assembly created the position of Treasury Inspector. This official is responsible for guarding the public coffers at all levels to make sure the money is not used to guarantee the reelection of some politician.

Nevertheless, the treasury inspector, according to his critics, is devoting more energy to overseeing the outlays of the central government (which puts him in the limelight). And although it is impossible to prove, the task of overseeing the treasuries of the 1,032 municipal jurisdictions and 33 departments, under pressure from some 30,000 candidates for seats on city councils and in assemblies and Congress, and for mayoral and gubernatorial posts, is probably so herculean that it cannot be done.

The inspector has established six departmental Treasury Inspector's Offices so far; in January another 12 will open. But judging by the complaints of many political leaders, some regional treasuries are already being raided by voracious candidates, with nary a word from the Treasury Inspector's Office.

Furthermore, another problem undermines the legitimacy of democratic representatives: private financing of election campaigns.

Private financing of political races is a healthy practice to the extent that the citizenry helps defray the costs of democracy in action.

Nevertheless, if a candidate depends on a single donor or an excessively "generous" donor, his actions as a public official may be influenced by the interests of the contributor. His ability to represent the general interest is destroyed. The democracy of special interests, which has caused so many problems in other countries, is beginning to prevail here.

Government contractors and suppliers at all levels are among the principle financiers of political campaigns. It is obvious that their goal is to compromise the candidates so deeply that when they are elected they will not "forget" their benefactors. For this reason, it is particularly important for candidates, authorities, and the citizenry to be on their guard with these donors. It is in the campaigns where the morass of government contract corruption begins.

The National Electoral Council announced to the parties that it is setting up mechanisms to impose ceilings on donations for each candidate: on what the candidate can contribute out of his own pocket and what he can receive from third parties.

The honesty, legitimacy, and fairness of a democracy like ours, which is just beginning to shake off the vestiges of political patronage, will depend in large measure on the success of this effort and that of the Treasury Inspector's Office.

Paraguay

Government Rejects U.S. Labor Union's Call for Sanctions

PY0511231093 Asuncion ABC COLOR in Spanish 5 Nov 93 p 12

[Text] The Paraguayan Government does not fear sanctions within the framework of the General System of Preferences because there is no reason for any sort of punishment. The Paraguayan Government therefore does not share the opinion of the U.S. labor union AFL-CIO, which has asked the U.S. Government to sanction Paraguay, said Justice and Labor Minister Juan Manuel Morales at Lopez Palace.

Together with President Juan Carlos Wasmosy, Morales analyzed the issue yesterday. They decided to send the Paraguayan Embassy in Washington all the documents that may prove to the U.S. Government that this sanction is not applicable.

The labor and justice minister met the president to study the situation resulting from the AFL-CIO charges, which call for renewed sanctions against Paraguay. Morales said that the international organization's intention is not applicable because their charges are not based on the truth. "Particularly because with the approval and immediate promulgation of the new Labor Code we have shown that we want to improve things. There are therefore no reasons for a new sanction," the minister said after meeting the president.

According to Morales, the AFL-CIO arguments were: delay in putting in place a new labor code, slowness in recognizing collective bargaining contracts, failure to implement the decree on the organization of labor unions, and the strikes. "We have consulted our files and found out that only two strikes have been declared illegal, and that all the other charges are groundless. We are proving all that in the document being sent to our embassy in the United States," Morales said. "If necessary, I will travel to Washington to present the appropriate claims," he asserted.

Morales explained that we cannot agree to an unjustifiable sanction. "It is important not to have any such problem, so that we can attract foreign investors. I believe that if we can prove that we are interested in doing things correctly, we will be offering more security to investors," the minister added.

Foreign Minister Explains UN Vote Against Cuba

PY0511141093 Asuncion ABC COLOR in Spanish
5 Nov 93 p 4

[Excerpt] Foreign Minister Diogenes Martinez stated on 4 November that although our country on 3 November voted at the United Nations in favor of the U.S. economic blockade against Cuba, this does not mean that we do not acknowledge or that we deny the humanitarian rights of the Cuban people.

Martinez said: "No country can be denied its humanitarian rights. But this is a political measure by the U.S. Government which is based on principles contained in Engineer (Juan Carlos) Wasmosy's government program: Respect for human rights and the full functioning of democracy. Based on this, Paraguay supports this political measure through its vote at the United Nations." [passage omitted]

Contradicts Wasmosy on Bid Pressure

PY0511140393 Asuncion NOTICIAS in Spanish
5 Nov 93 p 16

[Text] Finance Minister Crispiniano Sandoval on 4 November contradicted President Juan Carlos Wasmosy, stressing that in relation to the bid for the aerial photography contract absolutely no pressure was applied, not from embassies or from anywhere else.

Wasmosy stated on 3 November that the World Bank recommended that the government accept a much higher bid, and he accused the United States of applying pressure to accept a contract that would have been very damaging for the country.

The finance minister tried to justify the president's somewhat unfortunate remark explaining: "Apparently the president was not very well informed about the matter." Wasmosy has placed the country in a precarious position because a World Bank delegation is currently visiting the country to evaluate our country's financial situation. Their evaluation is fundamental when external loans are requested.

Sandoval insisted in that the disagreement between Paraguayan and World Bank officials regarding which enterprise wins the controversial bid is based only on technicalities. It must be recalled, however, that the technicalities mentioned by the finance minister in practice represents more than $1 million.

Chamber of Deputies Approves Disaffiliation of Military

PY0511155193 Asuncion ABC COLOR in Spanish
5 Nov 93 p 5

[Excerpt] The Chamber of Deputies yesterday approved the bill which temporarily suspends the affiliation of active service military and police officers. A lengthy and at times heated debate between Colorado Party and opposition bloc leaders preceded the plenary session. The bill has already been passed by the Senate. Now the Executive Branch will have to promulgate it, although there is also the possibility of a veto. [passage omitted]

Asuncion For All Movement Joins National Encounter

PY0411210493 Asuncion ABC COLOR in Spanish
25 Oct 93 p 11

[Excerpt] The political movement Asuncion For All (APT) on 24 October officially joined the National Encounter (EN) as a political force.

Top APT leaders emphasized that the combination of the two political groups is taking place within a framework of much enthusiasm and hopes of changes in our country.

[EN leader] Guillermo Caballero Vargas and [APT leader] Carlos Filizzola, the leaders of the two independent movements, pledged to uphold and enhance the ideals of the "APT's humblest class" within the "EN." [passage omitted]

Peru

State of Emergency Extended 60 Days in Apurimac Department

PA0611194593 Paris AFP in Spanish 1921 GMT
6 Nov 93

[Text] Lima, 6 Nov (AFP)—The Peruvian Government has extended the state of emergency an additional 60 days, effective today, in four provinces of Apurimac Department, 800 km southeast of Lima, "to facilitate antiterrorist operations," it was officially reported on Saturday.

The special measure, included in a decree published in the official newspaper EL PERUANO, includes the department capital of Abancay, and Andahuaylas, Aymaraes, and Chincheros. The state of emergency involves the suspension of constitutional guarantees, and the Armed Forces will continue to control internal order in the region.

More than 60 percent of national territory has been under the rule of that special measure since the "military struggle" began in 1980 in Ayacucho, 575 km southeast of Lima. According to official statistics, more than 26,000 people have died and more than $24 billion in damages has been caused in 13 years of "fratricidal war."

Government Agrees on Refinancing Debts Owed to U.S.

PA0711185593 Paris AFP in Spanish 1758 GMT 7 Nov 93

[Text] Lima, 7 Nov (AFP)—The Peruvian Government has officially signed an agreement to consolidate and refinance its debt with the United States and U.S. agencies. The refinancing was made possible by way of a resolution issued by the Economy and Finance Ministry, it was officially reported today.

The agreement, which includes six articles and eight annexes, does not specify the amount of the debt. Moreover, it only establishes deadlines and rates for debts to be paid up until 31 March 2002. These debts fall under the General Framework for the Renegotiation of Debts With the Paris Club, which was approved in July 1993. The refinanced lines of credit correspond to debts incurred with the U.S. Export-Import Bank (Eximbank), the Department of Defense (DOD), the Commodity Credit Corporation (CCC), the Housing Guaranty Program (HG), the Agency for International Development (AID), and Public Law 480.

According to the resolution published in the official newspaper EL PERUANO, between 1 January 1993 and 31 December 1994, 50 percent of the interest on consolidated debts will be paid on time. The remaining 50 percent will be paid in 10 consecutive six-month installments. According to the document, the first installment must be paid on 30 September 1996 and the last one on 31 March 2002. The document does not specify amounts to be paid to each of the above- mentioned agencies or the debts owed to them.

CCD Committee President on Possible Second Referendum

PA0811042793 Lima Global de Television Network in Spanish 0100 GMT 5 Nov 93

[From the "Global Television News" newscast]

[Text] Carlos Torres y Torres Lara, president of the Constitution and Rules and Regulations Committee of the Democratic Constituent Congress [CCD], mentioned the possibility of holding a second referendum on specific issues of the Constitution, such as the death penalty, job stability, and free education.

[Begin recording] [Torres y Torres] Anything in the Constitution can be modified at the people's request. The new Constitution states that it can be changed upon the people's request. Approximately 35,000 citizens must sign a petition requesting a modification. The death penalty, for example, is one possible issue. The petition is then presented at Congress and discussed. If it is approved, a referendum is called.

There are seven or eight issues for discussion. Some of these issues are just a matter of comprehension; the issue of education, for example. For us, education is free as provided by the constitution. For the opposition, it is not. Very well, let us approve a law to regulate Article 17, and we will all be happy. [end recording]

Uruguay

Brazilian Workers Party Leader Criticizes Eulogy of Growth

PY0411203593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1146 GMT 4 Nov 93

[Text] Montevideo, 4 Nov (AFP-NA)—Luis Inacio "Lula" Da Silva, Brazilian presidential candidate for the Workers Party (PT—leftist), today criticized those in Latin America who "eulogize" economic growth and inflation reduction without mentioning their social costs.

Da Silva, leader and founder of the PT who is paying a 48-hour visit to Uruguay, said there is a "class or elite" that after governing for many years "did not leave a single indicator showing an improvement in the standard of living in a country" in the region.

Lula, former leader of the metal workers union and rival of former President Fernando Collor de Mello in the second round of the last Brazilian presidential elections, labeled the defenders of neoliberalism as "capitalists" for whom "the French Revolution did not happen."

These capitalists, said Lula, criticize the state but they got benefits from it "like no one else in the last 50 years."

Da Silva demanded greater attention to the "poor, underdeveloped" countries from the international organizations, and in this regard he said the United Nations "cannot be subordinated" to the most powerful nations.

He also said the region's foreign debt is a political and social problem and called for the creation of discussions to deal with this issue, but without falling into "bravado" such as that made some time back by former Peruvian President Alan Garcia.

Lula indicated he could not say if the debt should be paid or not, but added that the democratic left in Latin

America is currently going through a period of growth that may lead them to electoral victories in various countries.

Da Silva came out in favor of the exchange of experience among the Latin American countries and said: "Had we been more united, Cuba would not be so alone."

Regarding the Brazilian political situation, he said this continues to be "extremely delicate" due to the continuous scandals of corruption taking place.

He added: "If we had the courage and decision to oust a president, why not now send to prison the deputies and other government figures who are doing the same thing."

Da Silva, who arrived at noon on 3 November, has met Uruguayan President Luis Alberto Lacalle and former President Julio Maria Sanguinetti (1985-90).

He also gave a lecture at the state university and met Antonio Antunes, secretary general of the Latin American Integration Association (ALADI), and the executive secretary members of the PIT-CNT [Interunion Workers Plenum-National Workers Convention].

On the afternoon of 4 November, Da Silva will visit Congress to meet Foreign Relations Committee members and other legislators.

Before returning to his country on 5 November, Da Silva will meet Tabare Vazquez, the socialist mayor of Montevideo.

Poll Views Voters' Opinions of Government's Performance

PY0511224093

[All figures as published]

[Editorial Report] Montevideo EL PAIS in Spanish on 28 October publishes on page 10 a 260-word unattributed article on the results of a poll that was conducted nationwide over a period of 15 days, beginning on 15 September. The article states that 15 percent of those polled believe the image of the national government is "good," 48 percent believe it is "acceptable," and 39 percent are of the opinion that it is "bad." On the other hand 75 percent believe mayors' performances are "acceptable," including that of the mayor of Montevideo. The article goes on to report that "66 percent of National Party members" believe the national government's performance is "acceptable; 47 percent of Colorado Party members" think the same; while only "38 percent of Broad Front members" share this opinion.

Venezuela

Defense Minister To Turn Over Names of Alleged Conspirators

PA0611174393 Paris AFP in Spanish 1628 GMT 6 Nov 93

[Text] Caracas, 6 Nov (AFP)—Venezuelan Defense Minister Vice Admiral Radames Munoz today told the Caracas press that he will give the nation's justice institutions the names of alleged conspirators, which he said he obtained from intelligence investigations.

"I have decided, in accordance with a request from the judge made at a (military) staff meeting, to send all the intelligence information I have," said the minister. The summary investigation into an alleged coup attempt in Venezuela was opened on orders from Munoz himself, after journalist Jose Vicente Rangel said in a television program that four generals, whose names were known to the minister, were preparing a coup d'etat.

The minister said: "I am turning over all the intelligence information I have, which points to many people and many names in a plot against democratic peace, and the judge in the case will be the one to summon these people if he determines the evidence is clear."

Up until now, Munoz had refused to disclose the names of the alleged conspirators, arguing that, although they were mentioned in his intelligence reports, he had no evidence against them. Last year, Venezuela suffered two coup attempts, and, over the past several weeks, rumors regarding another possible coup have become more intense.

Caracas Reports Bomb Explosion in Parking Lot

PA0711014293 Caracas Venezolana de Television Network in Spanish 0000 GMT 7 Nov 93

[Report by Daniel Lombana for "The News" newscast]

[Text] At approximately 1710 today a bomb exploded in the Central Park parking lot on Lecuna Avenue, causing serious damage to the parking lot entrance.

According to initial reports, 57-year-old Graciano Guzman, the parking lot cashier, was killed by the explosion. Another person identified as Serafin Rivero was injured and taken to a nearby hospital.

Investigations continue at this time, while members of the Judicial Technical Police and other institutions have arrived at the scene in an effort to identify the authors of this new action, which has undoubtedly disrupted the peace that has prevailed in the capital for the past few days.

We asked a PTJ officer who he thought was responsible:

[Begin recording] [Unidentified officer] We do not know yet because no one has claimed responsibility. There is a witness who was taken to the Homicide Division and is being questioned now.

[Lombana] What information do you have?

[Officer] We heard that a white vehicle was leaving the parking lot and that a homemade pipe bomb—we found tubes measuring 1.5 inches—was placed at the booth located at the entrance. There is a witness who was taken to the hospital. That individual will surely give us important clues. [end recording]

Diplomatic Relations Restored With Peru

PA0711232193 Caracas Venezolana de Television Network in Spanish 2350 GMT 5 Nov 93

[From "The News" newscast]

[Text] Diplomatic relations between Venezuela and Peru were totally restored today when Eduardo Raygada Morzan, the new Peruvian ambassador to Venezuela, presented his credentials to President Ramon Jose Velasquez. The ceremony was held at Miraflores Palace, and Foreign Minister Fernando Ochoa Antich was in attendance.

As you may recall, ties between Venezuela and Peru were severed 10 days after President Alberto Fujimori staged a self-inflicted coup on 5 April 1992 by dissolving Congress with the support of the Peruvian Armed Forces.

Caracas Studies Establishment of Ties With South Africa

PA0711195493 Caracas Venezolana de Television Network in Spanish 1550 GMT 3 Nov 93

[From "The News" newscast]

[Text] The Venezuelan Government has issued an official communique announcing its decision to lift the economic sanctions it had imposed on South Africa, considering the requests of African National Congress leader Nelson Mandela and the UN General Assembly resolution. The Venezuelan state has initiated studies pertinent to the establishment of diplomatic relations between the two countries as soon as the economic embargo is lifted.

President Velasquez Seeks Funds To Guarantee Social Peace

PA0711190093 Caracas EL DIARIO DE CARACAS in Spanish 5 Nov 93 p 1

[Text] President Ramon J. Velasquez has gone to Congress where he met with Congress President Octavio Lepage. During the meeting, President Velasquez asked for immediate approval of an additional credit requested by the executive branch, because it is "necessary and essential to guarantee the country's social peace."

The president also expressed concern over the upcoming electoral process, especially the labor conflict in the Supreme Electoral Council [CSE]. He reminded Congress that the 5 December event represents more than the election of a new president and Congress. "The future of democracy" is at stake, Velasquez said.

While Velasquez referred to the elections, the Supreme Court of Justice's Political Administrative Court adopted a decision that overcomes a large hurdle in terms of the elections by ruling on the amparo writs submitted by the National Convergence Party and Rhona Ottolina. Having overcome this difficulty, the CSE can now order the printing of ballots. To remove any doubts, CSE President Isidro Morales Paul said he will turn over the CSE facilities to the FAN [National Armed Forces] if CSE workers insist on declaring an indefinite strike. Morales Paul stressed, if the workers paralyze the organization, "I will call on the FAN to establish order and militarize the CSE."

Velasquez Speaks on New Banking Law

PA0611222993 Caracas Venezolana de Television Network in Spanish 1550 GMT 2 Nov 93

[Speech by Venezuelan President Ramon J. Velasquez after signing the General Law on Banks and Other Financial Institutions at the Presidency Central Information Office in Caracas; from "The News" newscast—live]

[Text] President of the Congress, President of the Council of the Judiciary, Comptroller General, President and members of the National Banking Council, President and members of the Banking Association, distinguished friends:

This ceremony is important for Venezuela's present but even more so for its future. The promulgation of the General Law on Banks and Other Financial Institutions is of the utmost importance in modernizing our country's economy. I accepted the position of president of the Republic and agreed to complete the current constitutional term not only to ease tensions on the political scene and to lead the country to the elections scheduled to be held in one month in a calm and normal atmosphere, but to initiate, with the support of leading political forces represented in Congress, the necessary actions to fortify the country's fiscal, economic, and financial infrastructure so the government that emerges from the next elections can begin its administration with a firmer structure in those areas.

A few weeks after I was sworn in as president and studied the country's situation with the ministers' cooperation, in accordance with the prerogatives that the law gives the president of Venezuela, I requested from the Congress special powers to take economic and financial measures. In the enabling law proposal that I sent to Congress, I included a request to approve, among other things, the various proposals that had been debated at the legislative chambers, subject, of course, to the necessary analysis and improvements of each one.

Although Congress exercised its prerogatives and amended the enabling law proposal and saw fit to approve some of the powers that we requested at the time, I must admit that the law finally passed by the legislative chambers empowered us to a great extent to fulfill the mentioned purpose of facilitating our government's actions, among other provisions, so my council of ministers could amend the banking law, whose draft had been debated at the Congress since mid-1990. Indeed, the enabling law empowers the executive to reform the general law on banks and other credit institutions and the statute that governs the Guarantee Fund for Deposits and Banking Protection, FOGADE, merging them in a single text.

The reform is oriented toward strengthening the banking system to promote effective competition among the financial institutions. It will allow foreign investors to participate in the banking system and will make general reforms to banking regulations. The law allows greater autonomy for the Banking Superintendency, granting it legal status and its own resources and fixing a special fee that banking and financial institutions will contribute. Those funds will finance the Superintendency. The Law on Banks and Other Financial Institutions that we enact today was approved by the president during the 28 October cabinet meeting and fully complies with the decision made by Congress.

I am pleased to highlight that without detriment to what was decided by Congress...[pauses] to highlight that without detriment to the nontransferable responsibility granted to us by Congress, the banking draft bill was subjected to a very broad consultation during which well qualified institutions and individuals expressed opinions on this technical issue. I thank them on behalf of the government and country for their patriotic contribution to refine this very important law.

The objective of this law is to develop a more efficient and competitive financial system to benefit its users and the nation's productive sectors. With that purpose in mind, the law is designed to broaden and strengthen supervision of the financial system, to adapt the levels of the financial institutions' capitalization, and to establish a regulatory framework that stimulates competition.

This is a modern law in tune with the needs of a nation like Venezuela, which is advancing toward the 19th...[pauses] the 21st century. This document totally changes the Superintendency's concept of its scope of development. Until now it was totally limited to what the law specifically allows. Now it will be allowed a much broader range of action. It is a ruling that includes serious responsibilities that are specifically set out in the new law. It is a ruling that imposes responsibility on the Superintendency while simultaneously granting it authority to develop its field of activity in keeping with its own competitive and growth strategy.

It goes without saying that this new autonomy goes hand in hand with the strengthening of a supervisory authority and of its duties as a balance in this conceptual change of how banking and financial activity should proceed. With the new law, the Banking Superintendency will be transformed into an autonomous, administrative, and budget-wise functional institution. Only in very few aspects—almost all of which concern state policies—will the Superintendent require the favorable opinion of the Superior Council of the Banking Superintendency and other financial institutions. This superior council is made up of the Treasury Minister—who will chair it—the Central Bank of Venezuela, and FOGADE presidents. The president of the National Banking Council may also be invited to this council.

The law stipulates a rigorous procedure for the organization and operation of new financial institutions, which must be marked by morality, economic soundness, and managerial capability and experience on the part of these institutions' sponsors and administrators. The new law substantially raises the minimum capital requirements for financial institutions. In addition, and much more importantly, the law establishes a dynamic mechanism based on the most modern banking regulations standards whereby the financial institutions' assets will increase in parallel with their growth, all of this to protect depositors and the economy in general.

The legal entity of regional banking is hereby created and objective standards and principles established so existing institutions and those that will be organized in the future can direct most of their resources toward financing economic activities in the involved region. The law naturally provides the necessary flexibility so the Banking Superintendency, for circumstantial and temporary reasons, can permit the use of regional banks' treasury surpluses out of their corresponding regions. The law opens Venezuela's financial system by allowing foreign investors to purchase shares of existing institutions, own new institutions, and open foreign bank branches.

Foreign investors must meet the same requirements as local investors, plus some additional requirements such as the formal participation of authorities from the country where the investment originated. In addition, the executive, whenever necessary, can request reciprocity for Venezuelan capital from countries where the foreign capital originates and which participate in the Venezuelan financial system. The presence of foreign banks will gradually stimulate competition in the system and facilitate the flow of capital to our country, all of which will expand financing and development possibilities for productive activities that create jobs and stimulate both economic growth and development.

As for FOGADE, the new law substantially improves the handling of banking problems by establishing preventive measures whereby a bank in trouble can be revived before it requires intervention or liquidation. In addition, the national currency guarantee for public depositors has been raised from 250,000 to 1 million.

Finally, the new Law on Banks and Other Financial Institutions meshes perfectly with the Venezuelan Central Bank Law regarding the rights that the law gives the bank in the areas of its competence. There is no doubt that the two laws transform Venezuela into a country with some of the world's most modern financial legislation, both from the viewpoint of those instruments' standards and concepts and the autonomy that these instruments give the state institutions governed by these laws.

The financial system is the lubricant of a country's economic gears, and it is vital for the country's adequate financing. The law that has just been enacted will facilitate this function and make it possible for this machinery to better respond to the demands of the globalization of the economy, an unstoppable phenomenon that is gathering more and more momentum in these final years of the 20th century.

Gentlemen, the law, more than an end in itself, constitutes a frame of reference for the orderly, efficient, enriching, and productive development of the activities of a society and its citizens. It would be impossible for those activities to efficiently meet the demands of the present and the future if the laws, in turn, were not the object of evolution and modernization. Our short-term administration does not intend to carry out the great transformations that Venezuela requires. This government does intend to contribute some of the legal instruments required to gradually make a reality the country we desire and which it is possible to construct with the efforts of all Venezuelans. [applause]

Government Issues Communique on Power Failure

PA0711040493 Caracas Venezolana de Television Network in Spanish 0000 GMT 7 Nov 93

[From "The News" newscast]

[Text] President Ramon J. Velasquez met with the ministers of mines and decentralization and the secretary and president of the Venezuelan Guayana Corporation. After reviewing the causes of the power failure that occurred today, the following communique was issued:

At 1046 today, Saturday, 6 November, there was a power failure at the Guri and Macagua power plants, the causes of which are currently being investigated by experts. Although this failure was more serious than the 29 October failure, this time the actions taken to restore the service were more effective. One hour later, at approximately 1200, 80 percent of the system had been restored, and the system was totally functioning at 1530.

The support systems throughout the country worked adequately. In the Caracas metropolitan zone, the electricity support systems at the Tacoa and Arrecife plants were activated and worked adequately. Consequently, there was only a brief interruption of service, particularly in the southern and southwestern part of the city.

In the country's central and western regions, the 800- and 400-kilowatt lines were deactivated as outlined by the security systems. The Jose Antonio Paez Hydroelectric Plant and the Uribante Caparo Plant were activated normally, totally covering electricity services for the Andean region. The Central Plant kept its unit activated. In Barquisimeto, the system suffered one a seven-minute interruption at 1130; 75 percent of electricity needs were covered with self- generated power, totally restoring the service at 1530.

In the eastern region, there was a delay in the activation of the support system. On Margarita Island, however, 50 percent of the electricity was self-supplied by the local Luisa Caceres Plant.

In Valencia, 50 percent of the demand was self-generated and electricity was fed to the Guataparo zone. In Zulia, the local power plant produced its own electricity and received 180 megawatts from Colombia through the northern interconnection between the Venezuelan 400th station and the Colombian Cuestecita station.

At the time of the power failure, the support system generated 70 percent of the energy, supplying 80 megawatts to the lake's eastern coast for emergency services.

The presidential commission appointed to investigate the faults detected in the system as a result of the 29 October blackout will present solutions to the president to correct the failures as soon as possible.

Fedecamaras Representatives Discuss G-3 Negotiations

PA0611015393 Caracas Venezolana de Television Network in Spanish 2350 GMT 2 Nov 93

[From the "The News" newscast]

[Text] After meeting with the advisers of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], Miguel Rodriguez Mendoza, minister-president of the Foreign Trade Institute [ICE], reported it is possible that the negotiations of the Group of Three [G-3] could be completed this next weekend.

This was the reason for his visit to the Fedecamaras headquarters, where he met with the representatives of that business association's Economic Relations Advisory Committee. He proposed that a group of personalities attend, along with the Venezuelan ministerial delegation, the debates to be held in Mexico on 5 and 6 November in order to complete the G-3 negotiations.

[Begin Rodriguez recording] The Executive Branch has a similar disposition to that of the businessmen as to seeking an agreement favorable to the country's interests, an agreement that would be equitable, and that would be in accordance with the asymmetries and differences in the degrees of development in Mexico, Colombia, and Venezuela. [end recording]

In the meantime, the businessmen say there are still many aspects that remain to be clarified and they think an agreement reached this weekend would be hasty. They hope that if the propositions are not satisfactory, Venezuela will not sign the agreement.

[Begin unidentified Fedecamaras representative recording] We have spoken to the minister and the Executive Branch about the need for us to complete the negotiation in spite of the haste, as there are a number of points, a number of topics, on which there still are serious differences between Colombia, Venezuela, and Mexico.

Our fear is that, due to the hurry we have to sign this, these topics might not be solved and, consequently, we might carry out a negotiation that might not favor us in the end. [end recording]

In this sense, the businessmen will have the opportunity to participate in the negotiations with Mexico and provide their opinions before the agreements are signed.

Military Says Drug Trafficker's Pardon Involves Conspiracy

PA0611181093 Caracas EL DIARIO DE CARACAS in Spanish 3 Nov 93 p 26

[Report by Elba Romero Lopez]

[Text] The National Armed Forces [FAN] have no doubt that a conspiracy was involved in the granting of a pardon [signed but later reversed by President Velasquez] to drug trafficker Larry Tovar Acuna, sources of the military High Command said yesterday. They stressed that investigations conducted by the military indicate "this was not a simple mistake but, rather, a conspiracy to discredit President Ramon J. Velasquez."

The sources refused to reveal who could be behind this conspiracy. Also, they did not say whether specific organizations or individuals were involved. The sources pointed out that Justice Minister Fermin Marmol Leon, who on 1 November claimed that there is still a latent "coup d'etat danger," should answer these questions. They did, however, say that the situation is "delicate" because of the pardon.

It was reported that military and civilian intelligence organizations are avoiding the conspiracy theory. The FAN has used it as the basis of its charges against the military and some of its members. The FAN has suggested they are involved in the conspiracy, but it has not presented any evidence requested by military authorities.

One of the sources consulted yesterday said: "I can tell you what is going on within my forces, because I maintain personal contacts with my personnel, and I can assure you that all of them—absolutely all of them—are fulfilling their constitutional duties. I cannot, however, speak for the others."

The sources said the FAN's priority is to guarantee the elections, and they underscored that on this occasion the military institution's role is "more delicate than ever," not only because of the current situation, but also because it has the task of carrying the first envelope with the election results and ensuring that the voters' decision is respected. The military thinks the December elections "will be slower," and it urged television stations to avoid making projections or announcing winners before the Supreme Electoral Council issues an official report, because competition is expected to be tight among those candidates with the best chances of winning.

"Those early projections of winners could later lead to a mob when people who think their candidate had indeed won could claim fraud," they added.

They insisted that the FAN will guarantee the honesty of the elections and that the chiefs of the military zones will keep for 45 days the ballot boxes in case of any charges of fraud.

Oil Shipment Received as Part of British Aid Package

FL0711212493 Bridgetown CANA in English 1659 GMT 7 Nov 93

[Text] Georgetown, Guyana, 7 Nov, CANA—Guyana has taken delivery of a shipment of 25,562 barrels of oil, sent by Britain as part of a U.S.2.6 million dollar petroleum aid package to support the balance of payments.

The shipment, worth U.S.646,000 ollars, was handed over last Friday by British High Commissioner David Johnson to Trade and Tourism Minister Sree Chand at the Shell Oil Company terminal, about 12 miles east of here. The shipment includes gasoline, diesel, and Bunker C fuel oil for the state-owned Guyana Electricity Corporation (GEC).

Britain is supplying Guyana with a total of 112,500 barrels of oil under the aid programme, an official of Guyana National Energy Authority (GNEA) was reported as saying.

The state-owned GNEA will distribute the oil equally to Shell, Texaco, Esso, Guyoil, and the GEC, economist Neermal Rekha told the CHRONICLE newspaper.

Three other shipments are expected before month-end. Proceeds from the sale of the oil will be used to finance projects on which there is agreement between the Guyana and British Governments.

Suriname

Home of Parliament President Attacked

PA0611202493 Paris AFP in Spanish 1944 GMT 6 Nov 93

[Text] Paramaribo, 6 Nov (AFP)—According to a Netherlands ANP Agency report datelined in Paramaribo, a group of unidentified individuals today hurled a grenade at the home of Surinamese Parliament President Jagernath Lachmon, wounding two security agents and causing damages. Lachmon and his wife, who were at home, escaped injury. Meanwhile, the firm of a Lachmon supporter was simultaneously attacked and suffered damages. No group has claimed responsibility for the attacks.